(APPROVED: 10/18/07)

HANA ADVISORY COMMITTEE TO THE MAUI PLANNING COMMISSION MEETING OF SEPTEMBER 17, 2007

A. CALL TO ORDER

The meeting of the Hana Advisory Committee (Committee) was called to order by Chairperson Kaui Kanakaole at 5:20 p.m., Monday, September 17, 2007, Helene Hall, Hana Bay, Hana, Island of Maui.

A quorum of the Committee was present. (See Record of Attendance.)

- B. INTRODUCTION OF NEW MEMBERS Andrea "Lehua" Cosma and David Kaina
- C. ELECTION OF OFFICERS FOR THE 2007-2008 YEAR Chairperson and Vice-Chairperson

Ms. Kaui Kanakaole: Welcome. Let's call this meeting to order. The first order of business is, oh, to introduce our new members, which is Aunty Andrea "Lehua" Cosma, and the second one is David Kaina, who's not present. And then next order of business is to elect our chairperson and vice-chairperson for 2007-2008 year. So do we have any nominations for vice-chair?

Ms. Dawn Lono: Vice-chair? Oh, okay. I'll nominate Mavis for vice-chair. I would like to nominate Mavis Medeiros for vice-chair.

Ms. Lehua Cosma: I second.

Ms. Lono: You gotta be quick around here. We have a motion and a second.

Ms. Kanakaole: Okay.

Ms. Lono: Do we accept the nominations?

Mr. Michael Hopper: Yes. No, you've already -- there's been one nomination. You don't have to vote to accept the nomination. It's -- you can nominate -- you don't even technically need a second, if you're going by *Robert's Rules of Order*, so there was one nomination and I guess next is whoever; if there's anyone else.

Ms. Kanakaole: Anybody else?

Ms. Mavis Oliveira-Medeiros: I would like to nominate Lehua Cosma for vice-chair.

Ms. Kanakaole: Okay, anymore nominations? So we have Aunty Lehua and Aunty Mavis.

Mr. Hopper: Oh, and I would just note under the -- under State law, there has to be a vote of -- it has to be unanimous in this case. You have to have all four members so you can --

Ms. Lono: We have five now.

Mr. Hooper: Oh, excellent. Well, then you need four. You still need four votes but you would need for or five cause you have to have a majority of the votes to which you're entitled, and since you -- a majority of the votes of the members to which you're entitled. You're entitled to seven, so you would need four votes in order to take action, such as appointing an officer.

Ms. Kanakaole: Okay, so let's vote. Let's vote for the vice-chair. We'll start with Aunty Lehua Cosma.

The vote for the nominations for vice-chair were as follows:

Lehua Cosma: Assenting - Mavis Oliveira-Medeiros

Mavis Oliveira-Medeiros: Assenting - Melissa Mauliola Lehua Cosma Dawn Lono Kaui Kanakaole

Mavis Oliveira-Medeiros to serve as Vice-Chair for the 2007-2008 year.

Ms. Kanakaole: So it looks like, Mavis, you're the winner.

Ms. Lono: Thank you, Mavis.

Ms. Kanakaole: Okay, can we have nominations for chairperson?

Ms. Lono: I would like to nominate Kaui.

Ms. Kanakaole: Anymore nominations? I'd like to nominate Dawn Lono. Okay, let's vote.

The vote for the nominations for chairperson were as follows:

Dawn Lono - Assenting: Kaui Kanakaole

Kaui Kanakaole - Assenting: Melissa Mauliola

Lehua Cosma Dawn Lono

Mavis Oliveira-Medeiros

Ms. Lono: You're so good at it.

Ms. Kanakaole: Thank you very much. Next on the agenda is the Resolutions Thanking Outgoing Members - Fawn Helekai-Burns and Francine Tolentino.

D. RESOLUTIONS THANKING OUTGOING MEMBERS - Fawn Sherie Helekahi Burns and Francine Tolentino

Planning Director, Jeffrey Hunt, read the Resolution for Fawn Sherie Helekahi-Burns into the record (see attached copies.)

Ms. Kanakaole: Thank you. Next is the approval of minutes.

Ms. Lono: Do we need to move to adopt the resolutions?

Mr. Hopper: Yeah, that's only the first one. I guess --

Ms. Kanakaole: Oh, we still have Francine Tolentino's to read. Sorry.

Planning Director, Jeffrey Hunt, read the Resolution for Francine Tolentino into the record (see attached copies.)

Mr. Jeffrey Hunt: There's no action needed by the Hana Advisory Committee. We can just simply read those.

Ms. Kanakaole: Thank you.

Ms. Lono: Could I just make a request that we also copy our Hana councilman, Councilman Medeiros, on this Resolutions? Mahalo.

E. APPROVAL OF MINUTES OF NOVEMBER 30, 2006

Ms. Kanakaole: Next on the agenda is to Approve the Minutes from the November 30, 2006 meeting. Do I have a motion to approve the minutes?

Ms. Oliveira-Medeiros: I make a motion that we approve the minutes of November 30, 2006.

Ms. Lono: I second.

Ms. Kanakaole: Dawn seconds.

There being no discussion, the motion was put to a vote.

It has been moved by Ms. Oliveira-Medeiros, seconded by Ms. Lono, then unanimously

VOTED: to approve the minutes of November 30, 2006.

Ms. Kanakaole: Unanimous. Okay, next is Mr. Alueta.

F. COMMUNICATIONS

1. MR. JEFFREY S. HUNT, Planning Director requesting comments on the following proposed legislation: (J. Alueta)

MR. JEFFREY S. HUNT, AICP, Planning Director transmitting the following bills for ordinances addressing the issues of bed and breakfast operations and transient vacation rentals (TVRs): (J. Alueta)

a. A Bill for an Ordinance to Amend the Bed and Breakfast Ordinance, Chapter 19.64 of the Maui County Code regarding Bed and Breakfast Homes.

The proposed amendments add that breakfast shall be made available to onsite guests and that bed and breakfast operations within the residential and rural districts shall be limited to existing single-family structures; a 16 sq. ft. project notice sign shall be posted at the front of the property along the main access road; the application shall be subject to 19.510.20, the planning director shall approve or deny the bed and breakfast permit application; conditions under which the appropriate planning

commission would approve or deny the permit; and provisions for renewal of bed and breakfast permits.

- b. A Bill for an Ordinance to Amend Chapter 19.40, Conditional Permits prohibiting transient vacation rental operations from being established via the conditional permit process.
- c. A Bill for an Ordinance Relating to the Permitting of Transient Vacation Rentals.

The purpose of the ordinance is to allow transient vacation rentals only in the following instances: (a) in zoning districts where they are a permitted use (currently in the airport and hotel districts), (b) in business zoning districts, and (c) in the destination resort areas of Wailea, Makena, Kaanapali, and Kapalua.

d. A Bill for an Ordinance to Amend Section 19.30A.060, Special uses of the Maui County Code, relating to the Agricultural District.

The bill would include bed and breakfast operations that are operated in conjunction with: 1. A bonafide agricultural operation with an annual gross income from agricultural products of \$35,000 as a accessory use. 2. Located in a structure that is listed on a State or National Register of Historic Sites. Bed and Breakfast operations shall be subject to the provisions found in Chapter 19.64 and shall be subject to Chapter 205, Hawaii Revised Statutes.

e. A Bill for an Ordinance to Amend Chapter 19.29.030, relating to the Rural District.

The bill would include bed and breakfast operations subject to the provisions and restrictions of Chapter 19.64 of the Maui County Code as a permitted use.

- 1) Public Testimony on All Proposed Bills
- 2) Comments from the Hana Advisory Committee on All Proposed Bills

The Maui Planning Commission is scheduled to conduct a public hearing on the proposed bills on October 9, 2007. Any comments from the Hana Advisory Committee on the proposed legislation will be transmitted to the Maui Planning Commission for its consideration.

Mr. Joseph Alueta: Good evening. Today, my name is Joe Alueta. I'm your Administrative Planning Officer for the Planning Department, and I've come before you before on a few occasions with draft ordinances, and that's my primary role. This matter relates to what we call the transient vacation rentals as well as the bed and breakfast issues that have been going on throughout the County of Maui. If you recall some time ago, there was a bill that was floated by the then Chairmember Bob Carroll, which would have established some form of regulation and permitting process for transient vacation rentals that would have been similar to bed and breakfast's. As you know, the department and the County, as a whole, views transient vacation rentals separately and distinctly different from bed and breakfasts. Bed and breakfasts are -- we do have a bed and breakfast ordinance and it allows for short-term rental of rooms provided that the owner/operator of the bed and breakfast lives within the same structure. This is more of a -- kind of truly subordinate to the single-family residence where maybe an emptynester rents out one or two rooms but will -- but the residence is not lost completely to the tourism industry. A local resident lives -- still has a home and must occupy and live and operate the bed and breakfast operation. A transient vacation rental, we view it, a pure transient vacation rental, as where there is no one either living -- that does not live within the same structure, may live on the same property or they may not live on the property or in their community at all in which they just own the property and they rent it out for less than 180 days, and that's considered a short-term rental by definition within the County of Maui.

At the -- that last bill went to this body for recommendations. Your recommendation to the Council, at that time, was: One, enforce the law. You felt that there was a lot of illegal operations going on within your community and you wanted them to be, the law, to be enforced across the board; Two, you wanted the -- you felt that there should be a special subcommittee to try to decide or come up with a regional solution specific to Hana. So those were your recommendations that went to the council. Every Planning Commission came up with their recommendations. All three commissions adopted, basically, the Planning Department's recommendation, which was we recommended approval of the some of the ordinances, we recommended modification of some other ordinances, but, as a whole, we recommended denial of language in which would have granted transient vacation rentals or treated them similar to bed and breakfasts, and that went forward to the County Council earlier this year. It was taken up by the new council as one of their first matters under Planning Chair, Gladys Baisa. They did not support the bill at all, and so they recommended to file it and so the council basically filed it. So there was no political momentum at that time -- at this time, to approve or create any type of permitting process that's different from now for transient vacation rentals.

The council, at that time, rather then try to muddy the water and try to sort of make amendments to that existing bill, as I said, they didn't even bother taking in -- they didn't try to adopt the department's recommendations for amendments; they just killed it all together. During those meetings, if you watch AKAKU, I don't since I don't have that kind of TV, but they pretty much encouraged the Planning Department to enforce the law, to go out and enforce the current law, and that the provision, or the unsaid amnesty that was policy, they wanted that policy to stop and they wanted -- and if the Planning Department had any ideas on the overall structure, whether it's vacation transient rentals as well as B&B, they wanted the Planning Department to take at a crack at it and come up with some type of ordinance that they feel would be compatible with the State law, County laws, as well as the general and community plans.

So, again, Maui County is made up of nine distinct community regions. It's -- and so a lot of times when you're drafting these ordinances, you're trying to strike a balance between all of those nine communities. It will be within the community plans to try to kind of filter down and the language within the community plan to set more specific parameters for these types of operations. As we talked about several times, and many of you are familiar with the community plan, it does restrict -- tries to discourage vacation rentals or even B&B's outside of the urban core, so we try to come up with some type of ordinances that may or may not be compatible with some of the language. So even though this language -- if this bill is passed, there are still restrictive languages within the variety of community plans that will prohibit or will go into the analysis for each permit that comes in. But, first, this tries to set some type of ground work.

I don't have any -- I did not have time to draft a staff report for this body because it's not a public -- we're going to take public testimony but it's -- there's no public hearing notice requirement. The public hearing is going to be held by the Planning Commission and the Lanai and Molokai as commissions. We're bringing it to this body because the original bill was brought to you for comment and we feel it's only right that we wanna get this -- because this community would be impacted in some shape or form.

And I'll kinda just briefly go through some of the concept of where we're going, and I'm looking at the first bill, which is called "The Transient Vacation Rental," which is 19.38 that was in your packet. This one section, and actually it's a packet of bills that you saw, the first bill, 19.38, it covers where we're going to allow transient vacation rentals, and Maui, as a whole, has always had, from when we first started going after the tourism market, you know, transient vacations were restricted to the hotel district, okay, and the primary of those hotel district as well as where we wanted to focus our tourists were in what we call "destination resort areas." Maui has four of them, which is Wailea, Makena, Kapalua, and Kaanapali. As you know, Kaanapali is probably the -- is first of its kind back in the '60's so that was like really the first destination resort area ever built in the world and it was a model

for a lot other -- for a lot of other destination resorts, not just in Hawaii, but around the world to follow.

We feel that, within those destination resort areas, there's not just hotels, there's also single-family, there's businesses, and there's other areas that are designated. However, the single-family's, the zoning that's in those destination resort areas and the concept of those destination resort areas were really geared toward the tourists and second home market, second offshore home market. The homes and single-family residences within those areas weren't geared toward local residents, okay. So what we're proposing is saying that transient vacation rentals would be allowed as a permitted use within the single-family dwellings, or multi-family dwellings, or business districts within the destination resort areas, okay, and that's what the concept is and that's what this would allow. And the parameters, like I said, would be -- it'd be limited to destination resort areas.

One of the key aspects that would go along with that would be a map and it makes reference to the four destination resort areas. I have a sample map here. This map here shows both Wailea and Makena's destination resort area boundaries. So there's a lot of single-family areas. There's also areas that's in the agricultural district. We've included as sort of like a bubble saying this is an overlay. There may be other restrictions from the State, which will prohibit TVR's within the agricultural district, or other requirements. But what this does is it says, "This is the area that we're looking at, and we don't know what will happen in the future with regards to these destination resort areas. Some of their ag areas may be converted to urban or to State Urban, and so -- but this is an area that we've decided that is where we wanna focus our tourist industry and has minimal, if no impact on the local housing market." And I think that's one of the key components there is that its impact is minimal on the local housing market as well as the infrastructure - the tourism infrastructure has already been set in place within those destination resort areas.

Other components of the destination resort areas is also the business -- amendments to the business district. The County of Maui has B-1, B-2, B-3, business resort district areas. Back in '89, up until '89, motels, right, motel were allowed within the business district. That was stricken from the County Code for various reasons. The department feels that a transient vacation rental is a commercial enterprise and that, under certain restrictions, we think that they would be okay within the business district. We're also looking at that because, as you know, the new concept of new urbanism, small town planning, allows for a mixture of uses, so we feel like in -- within the towns of like Paia or even Hana Town, where you may have commercial enterprises, such as retail shops on the bottom and they may have a mixed use such as either offices, a transient vacation rental above the stores, you know, or intermixed within their complex. So this is really geared, I mean, to the small towns cause this would allow for small inns. We've set the limit at 20 rooms. This is a concept that is not new. We have this same concept and permitted use within the Wailuku

Redevelopment Area of Wailuku so where someone could do, you know, commercial. And so that's kind of the areas that we're expanding transient vacation rentals.

At the same time, we're going to be prohibiting them, TVR's, everywhere else. So pure TVR's would be prohibited everywhere else so you would not -- and we would not allow -- which they are currently, TVR's are prohibited everywhere except for hotel, but we would also prohibit you from getting a conditional permit, which is the methodology in which some of these, that are legal, the few that are legal, have gotten their approvals was through a County Conditional Permit. We would close that door and say, "Either here or it's nowhere." And we're going to try to expand the areas where we feel you can do it.

Now, how does that impact Hana? I'll try to bring it back to where -- like I said, you have some commercial core in the business areas here in town. There is also another bill that's not part of this package, and I explained to some of you earlier and some of the people in the audience, was that if you recall, about ten years ago, there was a thing called "SBR" or service business residential. It is still on your community plan, okay. Ten years ago, that bill, and it's very unique to Hana, I'm not sure how many other community plans have it, but SBR, at the time, we were going to allow for transient vacation rentals and B&B as a permitted use. For one reason or another, during the discussions, the bill never went anywhere in '97-'98, it got killed in council, and it never saw the light of day. The department did propose, in our recommendations last year and again we're going to propose that this time, is that if we can get these package of bills together, we would come back and revisit the SBR ordinance and that would cover a few of the TVR operations that you have within the urban -- urban core.

So moving on to the other bills that are in your -- I mean so I covered 19.38, which restricts TVR's to destination resort areas, expands TVR's to the business core, and 19.40, which is the conditional permit process, which would eliminate the ability of a conditional permit being issued for transient vacation rentals. The next amendment that we're proposing in this package of bills is the bed and breakfast ordinance. The bed and breakfasts, right now, are limited to the urban core as well as business districts and the current process calls for three types of permits, you know, Type 1, Type 2, Type 3, residential districts. It is -- there's three levels of approvals with these different types. There's different notification requirements. The overall process was never intended to be -- sometimes government doesn't always function the way we anticipated to function and these permits actually became very restrictive and very cumbersome for the lay person who were trying to really focus the B&B toward. This is supposed to be mom and pop operations, and a lot of times mom and pop operations can't afford to -- to hire a consultant when the process gets too complicated. What we've tried to do is, in this process, is make it simpler. We're only going to do one type of permit; that is a type -- just one type and allow for up to six rooms, and the permits would be done -- processed administratively through the director's office. Under certain criteria certain times, you're going to have -- it may have to go before

the commission. At that point, it would go before the Planning Commission. So the only public hearing that would ever be held would be by the Planning Commission. That's pretty much the initial concept.

Other amendments, the other two amendments are dealing with the agricultural district and the rural bill. The rural district, this would expand bed and breakfast operations to both the agricultural district as well as the rural district. The agricultural district, we would set a criteria, there's two criteria in which you would have to meet to get a B&B permit. One is if you're a State and National Registered Historic Site home, you can apply -- you could get a B&B. The other one is if you have \$35,000 in farm income, okay. So, again, ag land is for farming, at least that's the intent, okay. We're trying to reinforce the intent then if we're going to say, "Hey, we're going to give you another use or another entitlement, which is what a B&B permit is, we wanna see that this is really -- it's supportive of true bonafide farms." We came up with -- and the income criteria, \$35,000, came out of -- that number is already in the code for -- that's already in the code for a third farm dwelling on five acres or greater, so that's kinda where. Now, again, this bill would open up the opportunity for people to apply. When someone comes in for the permit, we still need to review that permit relative to the community plans.

Now, Hana's Community Plan has some language which talks about restricting those visitor accommodations and whatnot to the urban core. So it could be difficult for us to even grant B&B's in the Hana region unless there's some kind of change in the community plan or at least we'll leave it up -- I mean it's a policy decision that needs to be voiced and I would like, you know, hopefully, you can give me some feedback on that tonight.

The second is the rural district, which we would again -- because single-family residences are allowed within the rural district, you know, and Hana does have a lot of rural district, it would open up the opportunity for people to apply for a bed and breakfast permit. Again, you'd still be required to go through the process of what's outlined in 19.64, which is the bed and breakfast ordinance. And, again, the Hana Community Plan has some language so -- so I'd like your comments on that whether or not you think that's okay.

Before I bore you even more with some comments that we have received, I did pass out some of the agency comments. I did wanna talk about that and some of the challenges we're going to face. Do you guys have any questions right now of me of these bills?

Ms. Lono: I wanna understand how the community plan affects the ordinance and the enforcement of it. A community plan is not word of law, as I understand it, so how does the community -- how will the designations in the community plan or the language in the community plan affect these ordinances and the ability to enforce them and to go through the permitting process?

Mr. Alueta: The department does look at the language, we don't just look at the color -color pictures that we have and, you know, whether or not something's colored red or yellow or whatnot. We actually look at what the language says. We do an analysis of whether or not we feel it's consistent. Some would argue differently that the community plans do have a force of law; that we're -- we are entrusted to follow the principles and in guiding objects as in policies within that community plan whenever we write a new law. In fact, our implementing action is supposed to be consistent with the community plan and General Plan language. That's the job. You do your General Plan; you do your community plans; you look at the language; there's implementing points, and it's up to the Planning Department, Public Works, Water Department, depending on what the implementing action states, we go in and do it. So part of that goes into your concepts of restricting bed and breakfast or - I don't have the specific language in front of me of what it says - but I do know it restricts it to the urban core. Now, it doesn't say -- some people will say, "restrict means prohibit." Well, it doesn't say, "prohibit." It doesn't say, grant -- "don't grant any type of permit or any type of thing for a tourist outside of the urban core." It doesn't say -- at least I don't recall, remembering it being that hard nosed. So it can be interpreted that it says, "By creating a B&B process, and by guiding where you want these, and creating a standard through the B&B process is restricting. Even though it's not in the urban core, it's restricting it outside." Now, I -- that's subject to interpretation and that's where, you know, the community input as well as, more importantly, the policymakers are going to have to come up with it. It's my job to try to do the best I can as far as writing an ordinance, but I need to point out where there's language that needs to be considered. I can't just say, "Oh, I ignored that language." I need to put it in my report. I need to tell people, "Hey, there's this language. How do you wanna resolve this? Is it a conflict, or is it not a conflict?" And the policymakers need to make that comment. But, remember, policymakers are I mean the Planning Commission and more so the council is very downstream. What -- you, as community members, were probably more active and more there when this language was written, and you're going to have a better feeling and the flavor for what that language is really intending. Did you mean restrict meaning, heck no, don't allow TVR's and B&B's anywhere outside the urban core? Or, hey, we wanna restrict TVR's and B&B's to the urban core only and that's why we created this SBR, and that's why we allowed so much business and hotel land within the Hana core, and that's where --I mean -- but I wasn't -- I mean I wasn't there. I wasn't the drafter and that's why it's important to come to these board -- these types of public meetings and get that from you. I hope that -- I hope I answered the question as best I could.

Ms. Oliveira-Medeiros: I don't know what it says on the Hana plan, and I guess I need to study it, but the last time that I did check, the only places that were zoned for overnight rentals was by the hotel, near the hotel, around the hotel, and Hana Kai, and next to Hana Kai. So are you saying that is enough for rentals for tourist to come to Hana or are there other options?

Mr. Alueta: There are. If that was the intent, meaning the language, there is language, then if the intent was that's where you wanna focus your tourism industry to that areas that you describe, and only to those areas, then fine. That's the kind of message we need. If you feel that there should be other tourism accommodations through the bed and breakfast process or even through, you know, transient vacation rentals, I mean, you know through some other process such as a conditional permit, which is under the current process for TVR's outside, then that's the kind of information we want. The -- at the last meeting, you know, there seemed to be -- last time I got input, there was a lot of comments about we want you to enforce the law as it stands, okay, which is, you know, if they're illegal, they're illegal, and then try to come back with some kind of community-base planning process. The best I can do, at this point in time, because it is an issue that's been going on for years and years, and going back to another community-base process is fine, but we need -- I need to get something on the books to give direction for the rest of this community. And it's good to go out and then we are enforcing, and if you haven't read the letters to the editor, you know, enemy number one is over there and over here, and so -- and so we wanna not just be giving the stick as far as enforcement; we need to come up with some type of carrot. We need to come up with some type of ordinance that, you know, shows that we're not just saying, no, but we're saying no here and yes over here, and that's the intent of these bills right now. And -- but we wanna, I mean, whether that conforms to what you believe the community plan says, that's part of the reason we're here.

Ms. Lono: Madam Chair?

Ms. Kanakaole: Go ahead.

Ms. Lono: In reading the community plan, which I think everybody has a copy of who was previously on the committee, it's -- the community plan is old and it has not been updated but we're going through the General Plan process and then the community plans are to be updated is my understanding, but it says in here, "Discourage developing or subdividing land under agricultural use or agriculturally designated lands for passive agricultural estate residential uses." It also says, "To discourage urban land uses and special use permits outside of the Hana Town area except to allow those activities which are essential to the region's economic well-being, which provide essential services for the residents of the Hana district, or which provide for the essential domestic needs of remote communities. such as Keanae, Kipahulu, and Kaupo. Such activities shall not adversely affect surrounding neighborhoods and shall be supportive of the agricultural activities of the areas." It also says, "Discourage transient rental accommodation uses outside of the Hana urban area." So this is just what -- what is in the existing community plan and what was the desire -- what is this? Fourteen years old? John, you remember? '94. So 13 -- 13 years old and needs to be updated, but that is the current language that addresses that on agricultural lands and transient accommodations for Hana. So that's in, you know, there are conflicts there and, of course, we are in the process of updating the General Plan and

community plan, and if we're looking at this as some kind of a foundational document or something that's supposed to be a guide, that's what the existing community plan says.

Mr. Alueta: So, that's the kind of -- I mean and then you need -- like it says, "discourage," correct?

Ms. Lono: Yeah. Yeah.

Mr. Alueta: So you need to -- that's why we're here to get your comments and tell me that, if that's still the intent, I mean which I -- from what you're reading to me, then you're going to have a conflict with some of our bills. At the same time, our bills does support the idea of not allowing TVR's, you know, but it allows for bed and breakfasts, and so you're going to have to make that distinction with me and whether or not you think that's an okay distinction to make because -- it does make a distinction of transient vacation -- I mean -- but, like I say, transient vacation accommodations can be broad, meaning it encompasses B&B; B&B is a more focused type of accommodation, and I think that that plan was very good in the sense that it not only created those languages like that, but it also created the SBR district within the Hana core so --

Ms. Lono: Well, I'm not sure how you wanna go about this today cause you went through kind of all these bills pretty quickly and, perhaps, what we could do is look at them together, one at a time, and address some of the specifics in them. Like the B&B, there are things that are crossed out and new language proposed, and it might be efficient for us to go through it on that basis and be able to make progress that way. And I don't know if we want to talk -- if we want to have public testimony, if there's anyone here that wants to speak at this point in time before we start dialogue so we can hear what the community has to say, but I'm just suggesting that might be an efficient way to go about looking at these.

Ms. Kanakaole: I think we should start with public testimony first, and so if people need to leave, they can leave and not wait for us to go through each thing, one by one. So we can open up public testimony. If you have something to say, you can come up and grab the mike from Joe and state your name.

Ms. Arabella Ark: Hi. I'm Arabella Ark, and the thing that has me the most confused is zoning. I think the main thing is if we could have a clear understanding of what areas of Hana are ag, what are rural, what are interim rural, what are resort, what's commercial, so that we knew physically what we're looking because when I think of Hana, I think of this 60 miles between Keanae and Kaupo. So I don't think about Hana as the town center. And so if we could look at that. And then the second thing within that is size of land. I live on ag land but I have less than an acre. I don't get to pay ag tax rates. I have to pay residential tax rates. I don't have a farm nor has my land, it's Doctor Howell's old place, has it ever been a farm. So I'm wondering where do I fall and what rules, I read all the

rules, but I really don't know how they apply to me and what I might or might not want to do in the future. So it's a question of zoning for me first that I'd like to ask about.

Ms. Kanakaole: Joe, do you want to address her now?

Mr. Alueta: Just in -- we do have a community plan map and a zoning map. The primary, not resort, but hotel designation as well as your business core is centered around the hotel as well as, you know, where Hana Kai and along this strip where you have some SBR, and there's also a lot of rural lands in the Hana house lots area as well as toward Hamoa there is some rural in Koki -- I think in the Koki Beach area. Yes, there are some small lots that are ag. In those case, they're existing nonconforming and you're very fortunate. If you have a house on it, you're very fortunate to even get a house permit because if it's ag land, you need to be -- the house needs to be subordinate to and supportive of a farming activity. So if you are not farming and you got a house permit, then you're very fortunate. It doesn't mean that you're entitled to any other or additional entitlements, okay. So if you're ag, you're ag and the intent is to farm. It you got a house on it, the house is, by State law and by County law, subordinate to a farming activity. It doesn't -- it is not necessarily a bad thing but that's how a lot of -- there are these lots out there. It doesn't mean that you're entitled to anymore entitlements. You have the right to apply for a certain entitlement to operate either a commercial activity or a B&B or a TVR. The proposed bill, under our proposal, would allow you to operate a bed and breakfast if you can show that you can -if you're a true bonafide farm. If you're not a true bonafide farm, the County has taken the position that we're not required to and we're not encouraging any additional entitlements to non-true farming operations.

Ms. Lono: In order to get those entitlements or to be a bed and breakfast or a TVR, someone with a substandard agricultural lot could actually go in and rezone their property.

Mr. Alueta: If they were consistent with the community plan, they could come in and change the -- most likely would change the State land use and County zoning designations from State and County Agricultural to State and County RU-.1 or RU-.05.

Ms. Lono: Right. Okay.

Mr. Alueta: And if that was to occur, then, at least under our current bill, the restrictions, because in the rural district single-family residences are listed as a permitted use, would be allowed to do a bed and breakfast operation.

Ms. Lono: Also, Arabella, just to address your question about confusion about zoning, we have a Hana Community Plan, it is available at the Hana Council office, and if you call the office Monday through Friday, any day of the week, you are welcome to come and pick up

a copy of it, and that will answer some of your questions about where the different zoning designations exist.

Mr. Alueta: And, again, those are community plan designations. Those are not actual zoning. There's three layers of zoning. Three layers of land use designations. You have your guiding principles of your community plans; you have your overall State zoning or State designation, which is broken up into your classic four, which is ag, rural, conservation, and urban. And then you have your -- your zoning by the County, which, in this case, you know there's -- we also do an agricultural zoning, a rural zoning, we also do business and broken down into your standard B-1, B-2, as well as hotel, so that's -- so you need to find out what your -- all three are before you decide how you wanna proceed with any future projects on your property.

Ms. Lono: And is that information not available on the internet? Can you -- I've gone on the website and a lot of it has all three designations, or some of it, I shouldn't say a lot of it, some of it has all three designations indicated but there are places you can call too to find out what those are if it's not clear through the internet.

Mr. Alueta: Yes, it's online.

Ms. Kanakaole: Do we have anymore testimony?

Mr. John Blumer-Buell: Aloha, Chair Kanakaole and members of our Advisory Committee. And mahalo for serving. And welcome aboard, Lehua. First of all, I just want to thank Mayor Tavares and Planning Director Hunt, and Joe Alueta too, for trying to do something with this situation. For me, the whole planning process is: If we can't work this out, we should just scrap the Planning Department. So it's really that critical to me. As somebody that worked -- as somebody that worked on the community plan, and I was there for this whole thing, working with the Hana committee, the Hana Advisory Committee, the Planning Commission, the County Council, and the Mayor, that the process is about broken so, you know, thanks for your help.

I sincerely believe if the Hana Community Plan of 1994 had been followed with its implementing actions, we wouldn't be sitting in the mess that we're in right now. There was very clear implementing actions to establish the impacts, both positive and negative, of transient accommodations. If we had those done in '95 or '96, we would already have a process where we would have worked it out. And there were people that came forward, not a lot of people. The only person I remember that came forward in '93, when we had the hearings, was Mark and Haunani Collins. They did come forward and that's where the SBR designation came, somehow other properties ended up with that, but they actually came before the Hana group.

I just want to throw a few -- just a few spot things at you. The history of this is really important and, you know, you have to remember that going back to the late '80's, and Dawn was there and I think she'll confirm it was important, we had some pre-zoning conflicts going on in Hana, particularly Wakiu, with the Kaukea Cottages and the Heavenly Hana Inn, and that was a major conflict in this community. The Kaukea Cottages were proposed for up to 103 apartment units. All the residents, hundred percent of the residents in Waiku opposed that development and it, in fact, it got -- in the end it failed because it was -- it didn't work with what the community wanted, but that project led to the formation of this Committee. Velma Santos, who was the Chair of the County Council at that point, or the Land Use Committee, recognized that they had this project come to them with no red flags from Hana. So, as a Committee member at least raised the red flags. I mean Velma Santos recognized that you're here to wave a problem if there is and I hope you'll do that.

The other thing that did during the community plan process, and Dawn can confirm this too, is that in — is that we grandfathered in or recognized the preexisting use of both Kaukea Cottages and the Heavenly Hana Inn. So I hope that the Planning Department will make note of those two places because they were grandfathered in and were created prezoning and they are grandfathered in at their existing scale - this was discussed in the 1993 community plan process. I think people need to be aware of the Hotel Hana Maui development plan in the late 1980's by Rosewood Corporation. The community endorsed the makai development, the Sea Ranch development, it was not unanimous, but the community chose that as the place to welcome tourists to the community. The point is that the community really discussed where we wanted vacation visitors and so forth and that was incorporated into the 1994 community plan.

Now, other language I hope you get a chance to look at and I would encourage all of you to stay with this process, is the 1990 Maui General Plan is very specific on this. I have all the language for that. The '94 community plan is very specific. The service business residential designation, which the Planning Department recommended in '94, was never implemented, so that's left a number of people -- I mean I think, this isn't to cast blame, I think it was probably not correct to recommend a zoning that didn't exist because in the community plan it says that we may get an SBR, so it didn't say -- it didn't guarantee that, so it's a bit like the Kaukea Cottages where people put multi-family thinking that it meant that it was okay under that designation. So the -- certainly the SBR designations need to be straightened out as part of this process. I would like everybody to look at -- Joe Alueta put together a good Planning Department report and recommendation that went to the County Council earlier this year. I think they did a good job of really laying it out.

And before the -- before the hearing, I was talking with Director Hunt and he said there is a letter now from the State Office of Planning regarding agricultural designations. I would like that to be put into the public records so it can become part of the discussion. I mean that's a big part of the discussion, particularly in Haiku.

And then the -- the last thing to get up to speed is the July 2, 2007 letter signed by Planning Director Hunt that has to do with the enforcement and the position that the Tavares Administration is taking at that time.

So that may sound like a lot to look at, but that's really like some of the history of how we got to where we are today. This is just the last point, Kaui, and thanks for letting me speak. The General Plan, we are going to be looking at both the ag and rural designations. Now, the -- going back to the late 1980's, the area from in Wakiu, those are all one-acre house lots before -- and those weren't created till after the 1946 tsunami. So there was a subdivision to be made down above Koki before the tsunami and they abandoned that and created the house lots in Wakiu. Now, over the years, mostly kamaaina families came forward and said, "Look, we need to have more houses for our ohana," and I think it's been generally accepted that Wakiu, those people went from an interim to a half-acre rural zoning, and a lot of those are substandard rural lots, they're flag lots, but the community -- I think it's fair to say the community supports that.

Now, from Hana to Koali, we are still interim rural, and some of you may remember there was probably 300 people at the meeting when the rural zoning came up for Hana and the roof just about got blown off of this building, it was so hot, you know, the issues; it had a lot to do with development, cultural sites, and so forth, and that's why it's never been done, and it could be, I've talked with John Summers, long-term planning, there may be some money next year's budget to put a cultural overlay together like was done for Keanae and Wailua nui for the rural areas of Hana. And the intent of that, I think, would be to recognize the open space, the traditional use of the lands and see what is compatible with the traditional use of that property, and that's why we never got the rural zoning here. It was the kanaka maoli community that came out and said they didn't want this intrusion into that area. It's the same reason we don't have an eight-inch waterline out there until we get these issues resolved. So I hope that's a little help. Mahalo for your service.

Ms. Kanakaole: Next person? Anybody else? If there's no one else, then we'll close public testimony.

Mr. Alueta: Thank you. So let's try to -- I'll -- before we pick up on a line by line, if it's okay, I just wanted to hit some of the highlights of the agency comments. I did pass out a packet. It was touched upon by the last -- by John here, so the packet begins with the Fire Department. As always, the standard practice, the Planning Department is to send out the proposed bills to the variety of agencies just to get their comment on and see where we're at and see if we have a conflict. Again, you know, the more eyes looking at this bill to see whether they have something that would conflict with some of their interest. The Fire Department, they're pretty much in line. These are their standard comments with regards to bed and breakfasts.

As indicated on the next agency comment, which is the Office of Planning, they consolidated -- I'm working on ten bills on this time, and so I sent them all out at one time and they kinda consolidated their comments on, not only the proposed B&B and TVR bill, but another package of bills, so you need to skip forward a little bit to about the third page in on the letter, and that's where it talks about the proposed amendments relating to B&B and TVR rentals. The main things that they talk about that for us is they feel that in the last -- or in the last -- in the 2006 session of the State Legislature, they did some amendments to the permitted uses within the agricultural bill -- agricultural district. They are stating, and we're trying to get confirmation from State Land Use Commission also, is that they feel that the State law prohibits the counties from even issuing a State Special Use Permit for even a bed and breakfast, for any type of overnight accommodations. So we're trying, again, we're trying to keep a middle ground here. We're trying to find solutions for a lot of people and we feel that, you know, if our position, at this time, is that if someone's got a bonafide farm, we've set a threshold of 35,000; a farm dwelling is defined as a single-family residence; the County of Maui can define what is also considered accessory uses within the agricultural districts, and we're determining or we're making a determination that, at a bed and breakfast operation, if it meets the criteria of the \$35,000 farm income, is a permitted accessory use and, therefore, a bed and breakfast permit could be applied for and that's all that they would need. Some have argued that you still need a State Special Use Permit - O.P.'s position is that you can't even get a -- we can't grant any type of permit. We're going to work that out to find out who's got better footing on this from a legal standpoint.

The other issue that they have is that they also are stating that even in the rural district you're going to need a State Special Use Permit for a bed and breakfast operation. Again, we're going to have to work that out because we're taking a more, not a more liberal interpretation, but just a relaxed stance that, you know, the rural district states that a single -- in a single-family residence is a permitted use within the rural district. We state that if you have it in the single-family district, you can apply for a bed and breakfast operation provided you meet certain criteria. They feel that you still need to meet the State requirement because it's not listed as a permitted use. You need to get a State Special Use Permit for a bed and breakfast permit.

Again, we have a lot of, throughout the General Plan, community plan process, and we, as some of you may know about a year-and-a-half ago, two years, the Planning Department was audited by what we call -- a lot of people refer to it as "The Zucker Report" and General Plan, community plan, and that report hits on the County and the Planning Department to streamline their permit process, okay, to try to simplify some of these permit processes for the general public as a whole, and that's what we've really attempted to do is we don't -- we don't it's productive to have two type of reviews on this type of permit and so that's why we're going to go try to work it out. But this is a real -- this is a State -- this

is the Office of State Planning so we do take these comments seriously and we're going to try to work it out.

Let's see -- other issues, not so much impacting Hana, just for your information. The Finance Department, they have some concern with our allowing of TVR's within the destination resort areas as a permitted use. This is for tracking -- this is tax purposes and they feel that there needs to be some type of tracking of these permits, so we're going to have to work out these issues. We feel that, if anything, it could be as simple as a registration form rather than making some of these areas go through a permit process.

Parks and Recreation comments, if you look at their July 30, 2007, they do not support expanding TVR's into the business districts expect for the BR district. They also are not in support of expanding -- they do not support expanding the bed and breakfast operations into the ag and rural districts. And they do not -- they're not in support of increasing from two to six bedrooms for allowed B&B. So those are the comments coming out of Parks Department.

Public Works's comments are very rudimentary, just more changing of some names from Director of Planning.

Health Department, again, for B&B's as well as TVR's, we've always seen Health Department comments, this is relating to food preparation.

And Office of Hawaiian Affairs comments with regards to the bill. They are -- their concern is, again, on the local, especial rural Hawaiian communities, I think both Hana and Molokai would fit into this category in which so they are generally opposed to B&B's within these communities I guess with regards to the -- in the rural districts that they're talking about.

Housing and Human Concerns, this is your -- the last page of the packet of agency comments, they believe that our proposals with regards to restricting TVR's to only the destination resort areas would have a positive long-term impact on the available -- availability of long-term housing units within the community, so they are supportive of those kind of changes. They also are in support of those kind of changes. They also are in support of -- well, actually, they have no comments with regards to our proposed expansion of allowing B&B's within the rural and ag, so they didn't voice any opposition or support in this case. This is for the Housing and Human Concerns.

So those are the agency comments. Again, those are going to be wrapped up into a staff report. We're trying to address those and how, obviously, some significant comments with regards to some of our proposals, so we're going to attempt to address that and we -- obviously, there's highly likely that there's going to be modifications with all of our bills as we go through this process.

So I'm, if you want, as Advisory Committee Member Ms. Lono recommended going down, If you wanna pick one of the bills, I can go down it line by line or if you have specific questions at this time.

Ms. Lono: 19.64

Mr. Alueta: The bed and breakfast one? Okay.

Mr. Hopper: Madam Chair, I just wanted to point out your comments to the Maui Planning Commission would, like any other action taken, have to be adopted by a motion. It's just like making comments to an environmental assessment or any other bills. So I'm not sure, you can proceed in anyway you want, but how it's sometimes done is that the planner would keep track, as you're going through, of specific comments you would want, maybe an individual would want to make to the Maui Planning Commission, and, in the end, if you're all in concurrence with all the comments people have made, you could take one blanket motion to adopt those as your comments to the Commission. The planner could reiterate those comments to make sure they're accurate, and then take it by vote because, technically, if just one person makes a comment, that's not a comment of the entire body, you know, it's only a comment of that individual person. So just to point that out.

Mr. Alueta: Thank you. So looking at 19.64, which is the bed and breakfast --

Ms. Lono: May I ask a question before we start? Is this -- this is brand new ordinance? It doesn't take the existing B&B ordinance and edit it or ...(inaudible)...

Mr. Alueta: It is edited.

Ms. Lono: This is the existing ordinance with changes?

Mr. Alueta: That is correct.

Ms. Lono: Okay.

Mr. Alueta: It should say, "September 5, 2007," on the top of it. That was when I went through it. And that's why, again, you have, on the first page, the department tried to make it simpler by putting page numbers this time as well as line numbers, okay, so when we talk about something, we can make reference to a -- a page and line so, hopefully, things will go a little smoother.

Page 1, there no changes so that's the existing law. We haven't touched it.

Okay, Page 2, I've attempted, and we have a few areas where I missed it, but we have attempted to, one, put a bold and underline for language that is being added. I've attempted to bracket it but, more importantly, I've bolded it and struck it out if it's being deleted, okay. So, I will -- looking at Page 2, Line 5, we're just adding, a lease "for the term of the request." Okay. We're just moving out the "five years or more" to hold the lease. So we just wanted to -- what we're doing is we're tying the amount of lease time that the person has on their land with the amount of time the permit is being requested for.

Ms. Lono: Could I comment on that? Should that -- that sounds like it restricts the term of the lease to the term of the special use permit, so should it be for the term -- at least the term of the lease? So if somebody has a ten-year lease but they're only getting a five-year permit, would that -- does that have any bearing on that whatsoever? The way it's worded, it sounds like.

Mr. Alueta: I understand your question. That's not the intent. The intent is just so that you have -- you have -- you show that you have a leave, if you have a ten-year lease, you can get a permit for, you know, two years or up to whatever.

Ms. Lono: Yeah, I understand what the intent is but it doesn't seem --

Mr. Alueta: Right.

Ms. Lono: To me, it doesn't seem to read that way so I'm suggesting that maybe it should be clarified.

Mr. Alueta: Okay. Alright. We'll clarify it. It's just that we -- and then so if somebody has -- if someone has a two-year lease, they could get a two-year permit.

Ms. Lono: Right.

Mr. Alueta: Before we required people to get a five-year lease even though we were only going to give a permit for one year; that's the reason the language has changed so -- Line 8, still on Page 2, we want the permit in the name of the person that's going to be the operator. So the permit is with a permit of a name, living person, and not a corporation. The reason, there's a multitude of reasons for this. We don't want the permit being sold. You can't really sell a permit. People can still have a limited liability corporation for the lease of the operations, however, the permit itself needs to be in whoever's operating it. Once again, so you can't have multiple permits out there for that corporation. And, at the same -- and one of things that was pointed out is that, you know, Holiday Inn or one of these hotel chains operating B&B's is one of their new niche markets, so they go around -- so we're trying to avoid that. This is, like I say, again, the B&B operation is supposed to be a homegrown very, you know, residential in nature, for one thing, but at the same time,

it's supposed to allow local residents to have a direct access and direct tie to the economic opportunities of tourism. And, at the same time, we need to balance that potential of economic benefits of tourism when it's a potential impact on our housing, and so we're trying to strike that -- the B&B ordinance when it was initially drafted and the way we've drafted it, we try to preserve that.

Line 11 is, you know, re-lettering. Line 15, Page 2, we are, you know, taking out some of the "shall" and just put: "will make breakfast available." We feel that breakfast is a, you know, hence the name "Bed and Breakfast," feel that so people should do it. What that breakfast entails, whether it's just Costco muffin and pastries, that's fine. But whether they go through the onerous or the arduous task of setting up a commercial kitchen via DOH requirements, but we wanted to make sure that something was -- at the same time, you know like I say, there was -- we felt that there was -- it was unclear because, at the same time, we said: "but shall not operate a food service establishment." Well, if you're serving breakfast, people were confused about that food service establishment, and what we're saying is don't operate a restaurant. We don't want you to -- we don't want to have, you know, a full restaurant in a bed and breakfast where people from the outside comes in. If you have a restaurant -- I mean, not a restaurant, but you're serving to your guest, that's one thing, but unless you're in the commercial district, we don't want you to have that breakfast and food establishment ability to outside guest.

Ms. Lono: I have a question.

Mr. Alueta: Yeah?

Ms. Lono: If you have a bed and breakfast, are you then required by the Department of Health to have a commercial kitchen licensed by the Department of Health to serve breakfast?

Mr. Alueta: In some cases, yes, depending on the -- if you're frying eggs and servicing the full Irish breakfast, you know, with your blood sausage and everything, then, yeah, you're going to need a commercial kitchen. But if you're doing continental cereal and putting out milk, no.

Ms. Lono: So you would have to declare that at the time of the permit -- through the permitting process?

Mr. Alueta: Well, we're not really -- yeah, you would have to declare it because DOH is going to comment on what you're doing. So if you're saying, yes, I'm going to serve prepackaged foods, DOH is going to say, "Fine. No problem." And that's what, you know, most people just go to Costco and give them some muffins and danishs.

Ms. Lono: And my second question on this one is: You are actually requiring them to serve a breakfast in a bed and breakfast; it's not a choice?

Mr. Alueta: Yes, and the rationale behind that is that it would minimize the chances of people getting up in the morning going, "Oh, I need to eat something;" getting on the road early in the morning with everybody else during the rush hour commute. We're hoping that if they stay at their bed and breakfast operation, have some food, they're going to start their day a little later than normal people rushing off to work, and this is more of trying to -- in concept, that's the idea, okay.

Ms. Lono: That's another thing that might be -- I guess, for Hana, that makes sense because, you know, the Hana Highway but, in general, I would think that that could be an option to actually have to serve breakfast to your guest if you're a B&B, so I think we should discuss that at some time, if the time is appropriate now or -- I'd just like to hear what other people have to say about whether bed and breakfast requires you to serve breakfast and if we think that that's important.

Ms. Kanakaole: Yes?

Mr. Hunt: Let me elaborate a little bit on what Joe said. A lot of jurisdictions require that breakfast be served so that it reduces traffic in the neighborhood so that instead of getting up in the morning and getting in your car and driving to a restaurant, and then driving back to the B&B to then pack your bags or whatever, in this case, there's an option, at least, for people to just simple stay at the B&B and have their breakfast so -- they can always go out and go to a restaurant if they want, but the idea of the law is to try and reduce traffic and impacts to neighborhoods by providing an option for breakfast onsite.

Ms. Lono: I did understand that. I just -- I guess maybe I might be a little confused about what we're trying to do here because one of the -- okay, we're looking at this specifically cause I'm always drawn to that -- the uniqueness of Hana and perhaps having some -- something in there that addresses Hana in specific instances when we need to address Hana when it's unique to the situation. So this seems like one of those things that might fall in that category of maybe not needing to require the B&B to serve breakfast for Hana.

Mr. Alueta: I don't know. I just -- I see it as the opposite in Hana. It seems like more -- more of a requirement because there's very limited operations, although Hotel Hana has a good breakfast but, you know, \$14 oatmeal doesn't really suit everyone, and so you're going to wanna have that operation. There's very limited breakfast opportunities or restaurant opportunities in general in Hana. So I would think that more so in Hana than anywhere else. And it just seems, for most of the planners in our office in reviewing this, it was like duh, it's "bed and breakfast," not just bed and, you know, a flop house, but that's, you know -- if you wanna -- I mean --

Ms. Lono: I'm asking.

Mr. Alueta: Okay.

Ms. Lono: So if there's anyone else who has a feeling, one way or the other, about this particular thing, I mean requiring people to serve the breakfast.

Ms. Kanakaole: Okay, go ahead, Lehua.

Ms. Lehua Cosma: I have a comment. I think for Hana, what Dawn is saying, we're unique, and as far as impacting traffic and stuff, you know what I mean? I don't see an impact but I see helping, economically, the stores that they can go out there and get their food besides just being a bed and breakfast, you know, go to the hotel. There are places here that could rely on that extra income. But, anyway, I also feel that maybe you should just change the language, bed and breakfast, to something else to fit each community, which is different. I don't know. It's just a suggestion. Mahalo.

Mr. Alueta: Okay, and, again, the way the language it says, "will make available," mean they'll make it available; it doesn't mean the guest has to stay to eat it, okay, and that's why --

Ms. Lono: Well --

Mr. Alueta: I'm just trying to make -- we're just trying to make it -- so if your recommendation -- if the consensus is that you wanna strike the requirement to serve some type of breakfast, we can do that.

Ms. Lono: I'd like to hear what the other members feel about that.

Ms. Kanakaole: I think it's a good idea.

Ms. Lono: Which?

Ms. Kanakaole: To leave it. To require them to serve breakfast. If it's not going to be a bed and breakfast, then maybe it's something like Joe's Place. He doesn't serve breakfast. It's not a bed and breakfast. It's a -- what is his place?

Ms. Lono: A rooming house.

Ms. Kanakaole: Yeah. I don't know what his place is. It's a motel.

Mr. Alueta: Well, I'm not even -- well, and again, if we can get a TVR, if they wanna operate a TVR, they would have to be located in what we're proposing it would be business districts and/or potentially the SBR district. I think Joe is located in the -- I know he's adjacent to the SBR; I'm not sure if he's positively in the SBR area so there's a -- so for those people who wanna operate and stay in those types of accommodations, we are making it available in the business and SBR and, potentially, and the resort -- destination resort areas. Now, but we feel if you're going to do a bed and breakfast, and again, a bed and breakfast is not a right to operate one, it's an entitlement that you apply for a permit, and we set out the requirements, and, like again, we're sending out -- we're putting out a potential requirement of serving breakfast and that's just -- or having it made available, it doesn't mean your guests are going to eat it, it just means that you have to say, "When you come to my house, there's an option for you to eat something in the morning."

Ms. Kanakaole: I think the whole idea of bed and breakfast is, you know, bringing people into your -- into your community, into your house having them experience the way you live and what you eat. So I think, you know, I think it's appropriate. And if I were to go to a bed and breakfast, I would expect the place to serve me breakfast. Anymore discussion on that?

Mr. Alueta: Okay, there's no change. I appreciate that. And, again, we just added example of restaurants to make a clarification. We did some re-lettering, looking through Lines 18 through 29, and again, because we're expanding the B&B breakfast home, we crossed out, "in a residential district," because we are expanding the bed and -- we are, potentially, expanding the bed and breakfast allowances into both the rural and agricultural districts, so we just said, "a bed and breakfast home shall create" -- "No bed and breakfast home shall create an impact greater than those therefore existing in that district and all conform to the residential character of the neighborhood." So, again you know, not all -not all B&B's are created equal and just because you apply for a B&B permit, doesn't mean you're going to be granted one. We've set criteria out for both the ag and rural district, and the residential district. This is -- as you'll see further on in the bill, we're allowing -- we're making one type of permit to allow up to six rooms. Just because we allow up to six rooms, doesn't mean you're going to get a permit for six rooms. If you come in and you say, "Hey, I want six rooms, you know, and I got a 5,000 square foot lot," and you have to pave your front lawn to meet the parking requirement, we're going to say, "No." The director's going to say, "No. As a professional planner, in reviewing your project, you're going to create an impact greater than what's in your neighborhood and what your property can handle." If you do two rooms and your parking is available, you know, you have space on your property or in the back without creating -- changing the character of your lot and the whole property, we're going to give you -- your permit's going to be granted. So that's what that -- that's the intent of that language there that you see and that language was always in there, it's just that we wanted to clarify it to make sure that people understand it a little better.

Ms. Kanakaole: I have a question. On Page 3, what is the project notice sign?

Mr. Alueta: Okay, well, let me just cover the last, Letter N, on Line 32. We have -- that says that B&B operations shall be limited to existing single-family structures. That restriction was put in because we didn't want to have people build purpose -- purpose built building, you know, nine bedroom, you know, ten-and-a-half bath houses for -- specifically for a bed and breakfast because then that type of structures change the character of the neighborhood and, you know, change -- so that's the intent.

Ms. Lono: If someone applies for a building permit and they do not say that they're going to be conducting a bed and breakfast but they're building a nine-bedroom house and that's allowed on their property, I mean what's going to stop them from going in afterwards and getting a permit?

Mr. Alueta: And that's fine. And they're not going to be guaranteed they're going to get that permit. So they're going to take a chance --

Ms. Lono: But they're already going to have their nine-bedroom house.

Mr. Alueta: Right, and that's the chance they took. They're not entitled to a bed and breakfast operation. So if someone is making a risk -- takes a -- I mean if they're going to go and say, "I'm going to build a nine-bedroom house," and they don't even need a nine-bedroom house unless they get a B&B permit, that's a risk that they took, okay, that's --

Ms. Lono: Okay, thank you.

Mr. Alueta: So we're saying is --

Ms. Lono: I hear you.

Mr. Alueta: Okay. Line -- Page 3, moving to Page 3, Line 5, we're just updating our submittal requirements. Again, B&B's are operations, they are short-term accommodations, but the difference between the TVR and B&B is that the owner lives in -- lives within the same structure as the operation is going. We want a map that shows what area is being used for the family, for the proprietor's family, so we have a better idea what's in the B&B, what's your family home. Another subsection of reason that we're asking for this map is that we are attempting to work with the Finance Department to, potentially, eventually allow for partial homeowners exemption. Right now they're, and the language has not changed regarding that, that if you operate a B&B, you no longer qualify for homeowners exemption. One of the big things that B&B operators say now, "Hey, I have a B&B and, you know, I have like a one-bedroom," in the case of the Ichikawa's in Kihei, they only have a one-bedroom B&B, they have like a little 500 downstairs that they rent out

as a one- bedroom B&B, but they lost their entire exemption, homeowners exemption, so some of them has said, "Hey, you know, the majority of my house is for me and my family, can't I get a partial?" And so, right now, the law says, "No." That's, you know, if you wanna do a B&B, you lose that exemption. At the same time, Finance Department doesn't have that proportionality. We wanna at least set the groundwork so, potentially, maybe they will be allowed for proportionality. The Federal Tax allows you to write off home business offices so we don't feel it's any different but, again, we're just trying to lay the groundwork for future -- potential future bills.

Page 3, Line 9 through 11 . . . the tax office no longer doing -- we're just updating that requirement. They no longer do that certification.

Line 25, project notice sign. We're asking for a project notice sign saying that if you come in for a permit, stick a 16-foot sign in your front yard. A lot of people don't get that, you know, they don't know what's going on until the house is being built or something's, the public hearing's up. We wanna at least put a sign up that says, "Hey, this person has applied for a B&B operation. They're application is in. If you got a comment, let us know now." And this -- I added this -- it is in Title 16 -- 16.13, which is the sign ordinance. When I wrote the sign -- I wrote the sign ordinance years ago and I added that provision in for project notice sign only if it's required in one of the permit process and so this is our first opportunity to allow for it. So it's been an unused section. Like I say, trying to -- I was laying the groundwork ten years ago for future -- to expand the notification requirement. This is just our first opportunity here to do it.

Ms. Lono: I just have one comment on that one and that is sign shall be removed no later than 30 days after the final decision. Can we make that something like 5 days so they just gotta get it out of there as soon as — signage is a big thing in Hana --

Mr. Alueta: Okay.

Ms. Lono: And for keeping our community rural and neat and, you know, we don't have a lot of that stuff, and it would just be really nice to have that 16 square foot sign taken down as soon as possible.

Mr. Alueta: Okay. You're going to get rid of that Thai food restaurant sign up on the road?

Ms. Lono: There's a few other ones too that --

Mr. Alueta: Oh man, I was -- never mind. I -- okay, so is there a consensus to get rid of it five days, to shorten that time period up? Is that your comment? Is that a consensus comment? Okay, to shorten it to, potentially, five days? Okay. Oh, to have it up only -- well, these permits are going to be done administratively so, hopefully, you know we'll be --

because of the streamline process, we'll be able to give people a yay or nay relatively quickly, so we don't anticipate these signs being up that long. But I will -- but is -- right now, is the consensus five days, as soon as we get a decision whether it's approved or denied, five days is enough? Okay.

Let's see, Line 36, we have -- we are attempting to consolidate a lot of our public application and processing procedures. Throughout the code, you have, you know, one set of processes for processing accessory use permits in the residential district and it outlines how permits are processed. That's very cumbersome. We have a section called 19.510, which is the applications and procedures. What we're doing is we're just saying, "Hey, if there's a public hearing required, the process to do it is in 19.510." I don't need to outline a separate different process within this B&B ordinance, and that's all it is. It's just moving this out of the B&B ordinance and saying, "Hey, if you wanna know what the process is, you go to 19.510," rather than -- because that's how we've gotten inconsistent so we have some permits that require a 500-foot radius for notice, some people are adjacent property owners, some requirements require publication 30 days, and it becomes a mess, it becomes inconsistent and every permit has a different process and it's just -- it's not efficient, and so we're attempting to move everything and make it very -- make it uniform, I guess you can say.

Ms. Lono: So what is 19.510.20?

Mr. Alueta: That's the --

Ms. Lono: What does it read?

Mr. Alueta: You have it in front of you? Basically, 30-day notice requirements for public --

Ms. Lono: In here?

Mr. Alueta: Yes, 19.510. If you have section --

Ms. Lono: This is my book. Is it the County Code book I'm supposed to be looking at?

Mr. Alueta: Yeah, it's in the Maui County Code. I thought you -- okay. If you wanna look.

Ms. Lono: Just very quickly, just -- I don't know what it ...(inaudible)...

Mr. Alueta: It just outlines like when notification needs to be done, whether you notify adjacent properties or 500 feet, I believe it's 500 feet; it lays out agenda -- I mean -- what needs to be in -- what needs to be submitted in the application.

Ms. Lono: Yeah, I'm just asking what that is in 19.510.20.

Mr. Alueta: Yeah. It's the same application procedure and process for any, like SMA, I mean for any like any type of permit application that requires a public hearing; it's the same -- same process.

Ms. Lono: While you were explaining that it's inconsistent with some of the other processes so I just was curious as to what was making it inconsistent to.

Mr. Alueta: In some of the other permit processes, they, as again in this, like this one does, it outlines in the code, in the chapter itself, how the permit is to be processed rather than making reference to 19.510. The conditional permit process is separate. BVA has their own processes. We're trying to consolidate all those different processes into one type of application procedure and notification requirement.

Ms. Lono: Okay, I don't have 19.510. 19.50.

Mr. Alueta: Again, like I say, it says here like what was stricken out was like publish in the paper, to print it at least twice weekly in a county generally circulated -- some notification requirements have newspaper requirements, some don't. It's just, like I say, it's just creating -- it's using the same notification process that a lot of our other ones are using.

Are there any comments or other questions on Page 3 besides the sign one? Okay, moving to Page 4 quickly. Again, we're, in the permit process, we are, like I say, consolidating the Type 1, Type 2, Type 3 requirements and just having one process that's going to be done administratively. If, for some reason, under certain categories you require a public hearing, such as 40 percent of the people saw your sign that live within 500 feet and they all call the Planning Departments and says, "No way I want a B&B in my neighborhood," we're going to kick it up to a public hearing requirement, pursuant to 19.510. And if -- or if you -- there's another -- someone else is operating another B&B within 500 feet, okay, of your operation, we're going to say, "You, since you're the second guy, you need to come in and we're going to have to have a public hearing on it because having so many of these in close proximity could create an impact that we're not familiar with for your neighborhood." And that's the gist of 19 -- Page 4 is just striking references to permit type, have only one type of process for permit types, and in setting out the review standards, and that goes all the way to Page 5. Again, just cross all of that out, making it very simple, one type of permit; that's it.

Compliance and revocation. Line 21, we talk about initial permits because when someone comes in, they're granted an initial permit valid for a period of one year. Now, some people review that -- the way this language is written, some people say they get only for one -- they only get a permit for one year, and if they want to get another permit, you know, to

extend it, they have to go back through the whole process again, and what we're saying is, no, we're going to grant renewals and this sets up sort of a -- this sets up the process of granting renewals as well, as well as giving the director the option to grant those renewals rather than going to the commission, and it also grants -- gives him the opportunity to say, "This is your first renewal, I'll give you three years or give you five years, depending on whether or not we have any problems with the operation at all," and it's, again, moving down that approval process, simplifying the process so that it's handled more internally within the department rather than externally through the commissions.

We also are putting in, on Line 32, we are adding, if someone is granted a three-year permit, we want an annual report showing that you're in compliance, showing you paid your TAT tax, you're up to date, you're -- and it may require inspections but we just want -- we want a compliance report rather than just not hear about them for three years and they come back in to get their renewal and, by that time, we may -- there may be some violations and things have gotten stretched beyond what are comfortable with.

So that's Page 5. Page 6, the only change is on Line 9, which again, we're crossing out "residential districts" because it applies to -- this bill would potentially apply to other districts other than just pure residential, okay. So that's the B&B bill.

Ms. Lono: Sorry, Joe.

Mr. Alueta: No problem. That's why we're here.

Ms. Lono: I just wanna go back to Page 4 real quick and ask the other Advisory Committee members how they feel, I understand what you're trying to do here by the way with changing it from two to six, you're putting all of those different types of permits into one process so it, basically, would end up being an administrative process that they -- that the Planning Director or whomever is reviewing the permit would look at the situation, see if there are significant impacts for a six-bed B&B. I have real concerns about six-bed B&B's. I mean that sounds to me more like a motel than a B&B, so I just wanted to see if any of the other members had concern or comment about that number.

Ms. Kanakaole: I think it's a -- it's high number but were you saying that that is the maximum that they could -- that they could have and that you, you know, the director or the commission -- who makes that decision?

Mr. Alueta: It would be the director. Under the current process, people could come in from one to two bedrooms and that would be done administratively. If they came in with a bed and breakfast with three or four, it was handled at the Planning Commission level; five and six was taken to council. And anywhere during the stage, if you came in for a two bedroom

bed and breakfast right, and you had another bed and breakfast within 500 feet, you're automatically kicked up to a number two, so you had to go through a public hearing.

Ms. Kanakaole: Oh.

Mr. Alueta: And if you came in with a Type 2, and there was one within 500 feet, you got kicked up to council, and so it became very convoluted, not convoluted, but it just became just difficult to administer and people didn't know when they came in to apply if there was one within 500 feet so they applied thinking they would have to do one process and then, next you know, they gotta go to council and it's -- instead of being either a less than a month process being done administratively or less than three months being done by the commission, it became a one-year or two-year ordeal at council. And, again, six rooms is the max that's allowed. All we're doing is pulling all of those down, allowing you to apply, again, for up to six rooms. It doesn't mean that someone's going to come in and say I want -- everybody's going to come in and say I want to do a six-room. People who do B&B's, it's a tough job, I mean if you're a true B&B, you're living with them and a lot of -most people are doing, you know, a two or three bedroom operation and, yeah, six bedrooms is a lot. We would review the impacts as, again, if you're doing it on a five thousand square foot lot, it's going to be tough to do a six bedroom without having some type of impact on your neighbors because of parking situation. But if you got a half-acre, you know, or two acres in the ag district, you know, you might be able to accommodate it without really impacting your neighbors. So I think the -- that's why that provision of, you know, shall not have a detrimental impact on the surrounding properties in your neighborhoods. I mean I think that's -- that's -- I mean, yes, again you're putting a lot of faith in the director and -- and, you know, and the Planning Department. I'm not going to feel offended if you think that, you know, you guys wanna take back that control. We're not -- we're just here to take your comments. If you think that five or six bedrooms is too much and needs additional review, then put those comments in. That's why we're here to hear what you say.

Ms. Oliveira-Medeiros: I don't know if too many, six bedrooms in Hana, but I'm wondering if there would be a bunch of people running out to apply for a six-bedroom homes so they can profit more or whatever.

Mr. Alueta: Well, if you had a -- if you're doing six bedrooms, that means you gotta have at least -- it's gotta be at least a eight-bedroom house, I would assume, because -- you know what I mean? Like you would have to have a house that's at least eight bedrooms so that's a pretty big house. I mean, and -- so I don't know how many are out there, but there's one -- there's only like the ones that I know of that are six bedrooms, there's one in Lahaina, there's a couple in Lahaina, and they are, again, they're eight, nine-bedroom houses.

Ms. Oliveira-Medeiros: There are a lot of those on the Mainland so my concern is are we going to get a bunch of contractors out here, you know, saying, oh, maybe we should build six bedrooms so we can, you know, maximize their whatever income, not contractors, but investors.

Mr. Alueta: Again, you're going to have to have somebody living in that house. It's not a TVR, it's a B&B, so you're going to have to have a family or person, an operator, living within that structure, and it's gotta be an existing structure. So you gotta the house, okay, and then come in. Once you built and you're living in it, come in and get a B&B permit. And, again, it's not guaranteed because you may come in and everybody complains. I mean you're taking gamble and I don't -- I'm not sure if -- I think a smart person would take a four-bedroom three-bath house, put two bedrooms on it, get their permit, and then if they like it, if they're successful and they got their permit, maybe do an expansion later and then come back in and get -- go back to the commission -- go back to the director and say, "Hey, can I amend my permit?" I mean and do those incrementally. I think that if someone came in and built a nine-bedroom house thinking they're going to get a bed and breakfast permit, and they don't, they could be in a world of hurt, I mean -- but that, like I say --

Ms. Ark: I just had a question about ... (inaudible)...

Mr. Hopper: Any statement has to be on the -- to be on the record has to be with the microphone, otherwise, it will just come up as inaudible and, I mean, I don't know if they want to reopen public testimony or what, I mean that had been closed, so that's, you know, I don't want to -- I just wanted to mention any testimony should be on the microphone or else it won't show up on the record.

Mr. Hunt: We've received a lot of concerns about the existing process being very cumbersome and arduous and, as a result, people have not complied and that's why we have this problem right now, so we're trying to respond to that and streamline the process. I think it's important to keep that in mind and, also, that the way the ordinance is written that if there is opposition from surrounding neighbors, up to 40 percent, then it would go to a public hearing. So even if a six-bedroom B&B's applied for, if the neighbors have concerns about it, then it would go to a public hearing before the Planning Commission. If there's no concerns, then the director would have the ability to approve it. And, again, we're looking for streamlining to help out these people.

Ms. Lono: I'm totally cognizant of that and I appreciate it and I want it to happen and this process is for us to comment on the potential problems that we see with this new streamlined process. One of the problems that I see in Hana, if it's downed or if it's a concern that a neighbor has, we're a family here, you know, we all live with each other every single day and people are not really inclined to publicly turn in their neighbor even if they are not happy with the proposed project. You know, it's -- it causes problems and

there are repercussions within families and communities and friends and so if it comes down to, number one, the director and the Planning Department, well, one administration is very different from another administration so you've kind of got a -- an open process here that's kind of up to whomever the director is and whoever the planning people are at that point in time, so that's one concern. The other concern is having to turn in your neighbor in order for it to go to public hearing or in order for it to be a problem to have a six-bedroom B&B. There are many of us who would not want to come forward and say, "I have a problem with this." And maybe I'm just chicken but, you know, I wouldn't wanna do it perhaps to some people, you know, that are friends of mine that I don't agree with what they're doing. So I just wanted to make that apparent.

Mr. Alueta: So is there -- is there some type of recommendation that you wanna make or there's a consensus with the -- with this board of either amending the process or, you know, modifying like requiring a public hearing if it goes greater than five bedrooms or five bedrooms or more of -- I mean --

Ms. Lono: I just kind of wanted to hear what the other members had to say. That was my question initially.

Ms. Kanakaole: I think that's a good point that, you know, it's kind of up to whoever the director is at the time, and director's change, and so if -- I think it would be good if there were some kind of recommendation in there if it was more than five, or five or six rooms that somebody else, some other body would have to look at it or there would need to be a hearing because that is true, it's hard to -- it's hard to turn in your neighbors or, you know, cause you're going to have to live with them no matter what happens. Anybody else?

Ms. Cosma: I think, to me, going above -- anything beyond three should require public input, especially for remote areas, like Hana, and simple, just go through that process, then that way you don't get all this hard feelings among your neighbors or friends, you know. Mahalo.

Ms. Kanakaole: So can we agree on saying that we recommend that they add in some kind of language about having -- should we say three or more? No, or more than three?

Ms. Lono: ...(inaudible)... four or more.

Mr. Alueta: Okay, so units four, five, and six – okay, yeah, more than three, or four and above, you need to do a public hearing, you just require a public hearing at that point.

Ms. Lono: And, again, this might be something that's unique to Hana that could be addressed in the next process or the layer of all of this, I'm not sure how it's all going to come out, but I understand the streamlining and I feel for the process and I feel for the

people, but a six-bedroom B&B, a five-bedroom B&B even is a pretty large impact on a neighborhood no matter what, even if they have the space to park the cars, it's still is a large impact and especially if you're talking about doing it in agricultural areas. That's another huge impact. If you've got a two-acre lot and somebody wants to build a big, you know, giant vacation rental and plant a few guava trees in the back yard, you know, I mean it's an issue.

Mr. Alueta: Okay, so did you wanna put "for Hana only" like -- I mean these will come out from the HAC but -- from this board, but do you say that you wanna make it so that this is an issue that you wanna have only for specific to Hana; that if the other communities decide differently, then it's fine? Okay, I can put it down that way. You know, when we get to the council, the council will know that they would need to put in special language for Hana only. Molokai is going -- I know Molokai is going to have something for them and so I don't have a problem. At least they -- at least I get it on the record, council will know, so when we do finally get some kind of discussion on it at the council level, they'll know whether or not they can add those specific exclusion to certain districts. I prefer not to have it because I like to make things simple but not everybody's created equal, I recognize that. Every community is different. So I'll put down three or more -- more than three, Hana only. Okay, public hearing. Okay? Alright.

Ms. Kanakaole: Are we done with bed and breakfast?

Mr. Alueta: I think that your last on the B&B one, yes.

Ms. Lono: The conditional permits one looks pretty short and simple. Can we do that one next, 19.40?

Mr. Alueta: Yes, 19.40, basically, we're just closing the door on conditional permits for TVR's because we've open the door -- we've opened the door for TVR's in the business district and in the destination resort areas, and we're saying, everywhere else, we're saying no. We don't wanna even bother -- don't have people get up hope for something if we don't really want it there in the first place. I guess that's the message is that, you know, if can, can; if no can, no can. So that's what the conditional permit is -- the language there is saying. Okay?

Ms. Lono: Joe, so just to clarify, the only thing I see in here that is changed is, on Page 2, Lines 1 and 2, where it says, "No transient vacation rental operation shall be established via the conditional permit process." So that's all we're doing here is saying that this particular process is no longer applicable to transient vacation rentals?

Mr. Alueta: That is correct.

Ms. Lono: Okay. Thank you.

Mr. Alueta: Okay, so you're okay with that? Okay, and then what's the next section, next area that you'd like to take up?

Ms. Lono: The rural district.

Mr. Alueta: Okay. The rural district, basically, we recognize -- the County of Maui recognizes -- or the State of Hawaii recognizes single-family residences as an outrightly permitted use within the rural district, so does the County of Maui. We feel that a B&B operation, true B&B's, are subordinate to that residential use, therefore, we can establish criteria for the regulation of that subordinate accessory use, and that regulation for that use is the B&B permit process. So we're just opening it up to say that the rural district and the -- in the rural district, if you meet the criteria under the 19.64 that we all just went over, no problem. So even in the rural district, if you want, for Hana only, you're saying take your sign down after five days and -- or not for -- everyone -- everyone should take it down five days, but for Hana only, if you do four, five, and six bedrooms, we want to have a public review of it, okay? You guys comfortable with that? Okay.

Okay, 19.38, agricultural district. Similar concept. Similar concept, except single-family residences are not an outrightly permitted use, okay. Contrary to popular belief, singlefamily residence is not an outrightly permitted use in the agricultural district. Farm dwellings, okay, farm dwelling means there's a farm and that that structure is subordinate to a farm operation you're required, just like a barn is or a tractor is, the house is required because you got a farm. The reality is there are houses out there and there ain't no farming going on, okay, and we're not willing to concede the single-family residence as a principle use within the agricultural district, okay. We're saying that if you have a bonafide farm, and you have a farm structure, a farm dwelling, and you're living in it and you can meet the criteria for, one, the B&B process, and, two, you can prove you're a real farm, and we've set the bar as approving that criteria as being \$35,000, okay, so if you can grow, at minimum, of \$35,000 and show that you've been doing those sales and you're a real farmer, no problem. And for real farmers, that's not a problem, okay. And it gives the real farmer the option of doing a B&B and sharing that experience of a farm in their home and, you know, supplement that farm income - not a problem, okay. It's just -- but it doesn't -you know, whether real farmers really wanna have people show up, that's up to them, but it just gives them that opportunity and allows for that -- for them to get that economic generation of tourism and, you know, take advantage of it.

Ms. Lono: I have something to say about that. I heard you say that a single-family residence are not permitted on agricultural property just by wanting one. It's a -- it's a -- what did you call that?

Mr. Alueta: It's called a farm dwelling.

Ms. Lono: Right. No, but it's -- anyway --

Mr. Alueta: Subordinate to a farm.

Ms. Lono: So why, and this is a little bit off the subject, why are all of these building permits being issued on agricultural property for residential single-family dwellings? Why, when there is no, absolutely no farming going on on these properties? There's no enforcement there at all. And that opens a whole big can of worms, you know, that -- I mean this is a can of worms in itself but that promotes this can of worms.

Mr. Alueta: Okay, yes, it's a can of worms and I really wanna focus on the bill itself and, therefore, once again, this bill focuses on showing that you're a real farm.

Ms. Lono: Could that question be addressed at --

Mr. Alueta: I'm going to address it. I'm going to --

Ms. Lono: Just -- not even maybe tonight, but just to have it addressed or have some kind of answer to that question? I would like one, personally. I don't know if anyone else is interested in the answer to that question. But I'm very much interested in the answer to that question.

Mr. Alueta: Okay, my boss will correct me if I'm wrong, the process in which we are doing the -- allowing farm dwellings to be built is that, on the first structure, we are saying you need to show me a plan that says you're going to be a farmer, okay. So you need to come up with either a business plan, a planting plan that says you're going to plant your property and you're going to be a farmer. Your first structure. So you get a pass. We say, "Hey, good intentions." We can't tell -- I mean we can't --

Ms. Lono: I hear you.

Mr. Alueta: Okay, I can --

Ms. Lono: Go to the second structure now.

Mr. Alueta: Okay, now, they come in for a building permit for a second structure either -- whether it be an accessory -- either it'd be that thousand square foot ohana or the main dwelling, you know, whatever they wanna call it, bigger than -- we say, "Okay, fine. Now where's the farm? Are you farming?" And if you haven't implemented successfully that

plan, you're not going to get that second building. You're not going to get that second structure. So that's how the County of Maui has -- has implemented it, okay.

Ms. Lono: And I understand that cause I've read over that ag ordinance and I've read all of that stuff over and over again to try to understand it, but I don't believe it's being enforced and I just really would like to have that addressed at some point. So mahalo for addressing it.

Mr. Alueta: Okay. So noted and we'll take it up later. So, again, back to this. Again, we understand the limitations and we don't think that -- we feel that if somebody wants to do a B&B, they need to show they're really a farm. A B&B permit is not a right; it's an entitlement. To get that entitlement, you need to show certain criteria and one of them is, for us, is you gotta show you're a real farmer and we've set the bar at \$35,000.

The second bar that we've set in the agricultural district, again, what's listed as a permitted use in the State Agricultural District, preservation/restoration of historic sites. We all believe historic and cultural sites are important. There's a lot of historic homes out there that are on the State and National Register. We feel that if you're going to go through the trouble of restoring that home, and, believe me, restoration is a lot more expensive than tearing down and building new, if your house is on the State and National Historic Register of Historic Sites, you can come in, in the agricultural district, and apply for a B&B permit without having to show that you have the \$35,000. So you're -- and these -- the areas on Maui that I can think of, offhand, is going to be Baldwin Avenue. There are some really beautiful old plantation homes on there, and all that area was, you know, the Baldwin family or whoever owned it, beautiful plantation homes, but they're on ag land but they were part of a larger plantation but they've been subdivided off. Some of them have ag; some of them don't. But a lot of them are very beautiful plantation homes. Some of them are registered; some of them are not. We wanna get people to, one, spend, you know, say if you're going to go through the trouble of restoration, we're going to give you some props for it. But to get on the National -- State and National Register is not easy, so this is not a -a free ride. This is, once again, a B&B permit is not a right; it's an entitlement. You gotta show certain -- you gotta show that your end of the bargain to get that permit.

I will go back to O.P.'s comments that we gotta look at. They're telling us, in the rural and ag district, you gotta do -- one, in the rural district, you still gotta do a State Special Use Permit, and in the ag district, they're saying, "Hey, no. You can't even do it. You can't grant any permit for it." So this bill could be moot in the sense because the State may trump us and -- but we're going to look into that and, like I say, we're trying to -- you know, we think we're on good footing but we're going to talk to the State. If it trumps us, it trumps us. That's ...(inaudible)...

Ms. Lono: Well, who's enforcing it for the State now? I mean, you know? The County isn't the only one not enforcing it. The State is not enforcing their laws either.

Mr. Alueta: Correct, but, you know this is -- we got a letter that say, "Hey, if you do this, you can't do it." And so that's a little blatant.

Ms. Lono: Okay, yeah. I understand now.

Mr. Alueta: That's a little blatant and it would be very much so if this letter is true and holds water, then it would be grounds for someone to sue us and so -- we don't really encourage lawsuits.

Ms. Lono: Right.

Mr. Alueta: Okay.

Ms. Lono: Okay, so that -- so no matter what, that letter is going to be taken into consideration and this whole process could be moot if they decide that -- that the State trumps the County and that this isn't really a legal process?

Mr. Alueta: Correct. The process could be moot for the agricultural district, and we recognize that. But, in general, do you have a -- you guys like the concept that we're proposing, if it holds water with the State and -- I mean are you -- or do you have an opposition to granting B&B's within the agricultural district under any circumstances?

Ms. Lono: I have some concerns about it, not necessarily do I -- am I opposed to it, but I have concerns about it with reference to operating farms because, as an operating farm owner, I know that our lawnmowers and weed-eaters are many times going at six a.m. in the morning, and if there's somebody next to us with a B&B, that could be extremely irritating to your guest. So that's a concern. The other concern, there are a lot of use, not maybe necessarily on my farm, but within the ag district of chemicals and poisons and all kinds of things that drift and, you know, so that's also a concern for people who are having guest on their adjacent property. And I'm on a 2.75 acre farm and there is a 2.75 acre property next to me, and that is not a large distance, that is not a large lot, and it does not provide any kind of protection from anything that's going on on our farm for that property next door. They hear everything from the music that we're playing in the morning to lawnmowers, weed-eaters, people talking, you know, that's a concern. So I think that it may become a problem if we get a whole bunch of B&B's going, and they get their permit, and then all of sudden they're screaming at us who are trying to farm or screaming at people who are trying to farm, "Hey, you got your weed-eater going at six a.m. in the morning. You woke up my guest. They're all pissed off. Now I gotta give them their money back." You know, I think it's opening up a can of worms in that respect.

Mr. Alueta: If that's a consensus comment, we can take -- I can take it. I remember that being the same issue with -- with the apartments that were, you know, next to the old Hana Garden Lands or the old -- I mean that was one of the main issues that you're going to have -- she was going to do a campground and the idea of pesticides and other farming activities with a open campground came up and that was -- I mean so I understand it but I -- again, is that a consensus from this board that I can take?

Ms. Lono: I guess maybe, for me, if it's something that we could mitigate by putting some language in that would -- or some clarification when they get their permit that says, "Hey, if you get a B&B on an ag property and you're having problems with agricultural activities going on, you know, you can't blame the neighbor, you can't call the police, you can't tell them they can't weed-eat at six a.m. in the morning, or run their lawnmower, or put these kinds on restrictions on agricultural properties," cause you know that's what's going to happen. When people sell their property, they're going to put conditions on it, and their going to put restrictions on it that say, "You know, you can't operate your agricultural farm until after 8:30 in the morning."

Mr. Alueta: Again, if there's a consensus, I can take it forward. We do have the Right to Farm Act. It does -- it doesn't -- I mean, like you say, it doesn't prevent people from complaining, we get that all the time, I get a lot of complaints like that, but you have the right to farm and it's hard to -- hard for someone to claim like that I guess.

Ms. Oliveira-Medeiros: Nobody in our neighborhood really gets up at six a.m. and cleans their -- put on their weed-eaters out of concern for other neighbors because, you know, they might be sleeping. There's kupuna, there's babies, there's, you know, you don't know. So I'm just saying that I don't think six a.m. or eight a.m. is a good time to be putting on weed-eaters and lawnmowers anyway.

Ms. Lono: Well, one of my neighbors is sitting right over there and -- and we, as farmers, do work early, early hours in the morning, especially in the heat of summer, yeah, you try doing three acres of property with, you know, I mean we've got a different situation in our neighborhood than you do, you know. We've got a different situation in our neighborhood, in an agricultural neighborhood, than you have in your area. So that's quite different. Now, we're talking about an agricultural area. So -- and it's not just us, and I can't say that my husband's out there at 6:00 in the morning everyday or even once a week, but there are times when that's necessary, especially in the heat of the summer, and my neighbors do it, you know, and they're -- it happens all the time, so I just don't want to create problems and so that's why I'm bringing that up.

Ms. Kanakaole: Does anybody else wanna add? I think if it's in an agricultural zoned area, and other farmers live next to you, wouldn't they understand why you're weed-eating at six in the morning because they probably have to do it too if they're farmers too?

Ms. Lono: Well, just to be very blatant and open about it, the lady that's next to us has a B&B or, no, she has a transient vacation rental, she doesn't live here, but, you know, not only -- not her, bu the people that are there, we don't even know when somebody is staying at the house or not unless we happen to notice a car there or something, so if we're out, even at 8:00 in the morning, we get complaints. People coming out and going, "Hey, you guys, I was sleeping. Turn off that damn lawnmower." You know, I mean this is real. This is real experiences. So it's something just to be cognizant of and I don't know that it should be -- I don't know how to address it other than just to bring it to awareness and say, "I don't want to be penalized because somebody has a special entitlement on the property next door and I'm actually really trying to run a farm." I don't want to be penalized for that.

Mr. Alueta: You take your muffler off. That's what I do.

Ms. Kanakaole: What's the Right to Farm thing you were talking about? What is that about?

Mr. Alueta: The Federal Government says that you have the right to farm; that's why, like a lot of these covenants and restrictions, when we review them at the County level, if someone comes in with a subdivision and it has restrictions, at least it was past practice, that we would not approve these subdivisions if the covenants for an agricultural subdivision, basically, restricted ag, and they have -- we have kicked them out. I'm not sure if that's still the practice, but there are protection, but it doesn't protect you from people still getting up and yelling at you. I can make a note, you know, I don't have to -- I mean I can put a note that it was discussed but, you know, if there's no consensus that there's a concern that you wanna make that a potential for conflicts.

Ms. Lono: I just clarified something. I just clarified something for myself here. I realize now that we are talking about bed and breakfast --

Mr. Alueta: Yes.

Ms. Lono: And not TVR's. So if it's a bed and breakfast, then an owner will be there to deal with those kinds of issues, which is different than a TVR.

Mr. Alueta: Okay. Correct. And they're going to have to be a farmer too because they're going to have to have -- show \$35,000. Now whether they're doing flowers and they don't need to weed-wack as much, but that's -- the intent is to help farmers, is to help bonafide farmers, okay. Alright. So is your concern -- so there's no consensus on the issue and that concern at this point?

Ms. Lono: Not for bed and breakfast.

Mr. Alueta: Okay, yeah, we're only dealing with bed and breakfast. Okay. So we covered the rural, we covered the ag, we covered the B&B, and I covered -- did I cover the TVR section already?

Ms. Lono: Agricultural ...(inaudible)...

Mr. Alueta: No, 19.38? That was the one basically -- okay, so I think we are -- we're done. No, we were pretty efficient. It's -- I tried to make it simple. I tried to make this bill simple. Did I miss one?

Ms. Lono: The only thing that I have in my packet is the Residential Workforce Housing Policy.

Mr. Alueta: You have that or you don't have that?

Ms. Lono: I have it.

Mr. Alueta: I didn't give it to you.

Ms. Lono: It came in my packet.

Mr. Hopper: Joe, did you do the transient vacation rental bill?

Mr. Alueta: They're saying I did but I -- okay, yeah, yeah, this is the TVR, this is one of the maps that will be attached to this TVR bill. This shows the two resorts of Wailea and Makena. This is on your -- this is entitled "19.38" and it has a draft date, it should have a -- oh, well, I'm sorry. Yours should still say, "Draft of November 5." I did make some modifications, not of significance, but I will go over them with you. Did you all find that, 19.38, TVR? Okay.

Ms. Kanakaole: Yeah.

Mr. Alueta: This is a brand new ordinance so there's -- this is new so all of this that you see is brand new, okay. But, in brief, the preamble, this is -- we're trying to say where TVR's would be allowed, and we're saying hotel, obviously, the hotel district it's still a permitted use but we're also saying the business district is going to be allowed as well as the zoning categories that are located within a destination resort area. So -- and the destination resort areas that we're talking about are specific to Kaanapali, Kapalua, Makena, and Wailea, okay. So those are the destination resort areas. This would allow for single-family homes, cause there are single-family homes within those areas, and they'll be allowed to do TVR's because that's where we wanted the tourists to go anyway. We have tourist amenities, tourist infrastructure, and these houses were always intended to be

for offshore market. They're not -- I mean local people could buy them, not many can afford them, so it was really never intended for them, alright.

So, again, we're closing the door on, one, where we don't want them, and we're opening the door where we want them and where it will have the least impact on both infrastructure, family neighborhoods, as well as local housing market.

If you go to Page 2 of the bill, Section 3, Line 36, this is where we add TVR's or mini hotels. or whatever you wanna call them, into -- back into the business districts of the B-1, B-2, B-3 zoning categories. Again, we set a limit, TVR's up to 20 rooms, okay. Remember, this is the business district. So someone could do -- build a -- and long ago, pre-1989, motels were allowed. There was never a size limit to motels. And some of you may remember the controversy with the Maui Isana or the, you know, the Hagaai Institute, which is now the Hagaai Institute in Kihei, that was like a hundred, two hundred room hotel built in the business district and council went through the roof, and, boom, they went and changed the law because they said they didn't want -- they all of a sudden got a big, basically, hotel in the business district. Now, that was 1989 and the reaction was to a large hotel development. We think that a commercial enterprise, such as a TVR, is appropriate within the business district, however, we feel that the size should be in scale or should be scaled back, and we've set the limit at 20 rooms because most of these B-1, B-2, B-3 are located within the commercial core, many of them potentially would be within the Paia district, Makawao Town, Paia Town, and some of the smaller communities where you have B-1 and B-CT. So we didn't wanna have somebody come in and overwhelm that community with a large hotel, but 20 rooms is -- we feel is a reasonable size. This is the same size that's allowed within the Wailuku Redevelopment Area. So some of you know, Wailuku Town, it is a small in character and in scale and we felt that in that area, in the small town business code, we allow for hotels up to 20 rooms and that's sort of where the standard was set that we came up with.

I would also note that this does not -- so, again, we're allowing for it all the way through in the business districts, this bill, the TVR bill, excludes it, remember we're only talking about the business districts, it does not allow it in the industrial or heavy industrial cause we're still trying to protect our heavy and light industrial areas. So it has -- even though in the industrial area it said anything permitted in the B-2 district, this ordinance prohibits that because it's a TVR bill. I just wanna make that clear so people don't get thinking that, you know, someone could put up a 20-room hotel in some industrial zone area, so we're saying, no, that's not going to be allowed.

And, again, within the destination resort areas, you have a wide variety of lands. You have all your urban lands as well as rural and agricultural district - if you know, Makena has a lot of ag land. This doesn't say you that you can do a TVR in an ag district because you're still subject to the State law. So if there's a State law that says -- I mean the State currently

prohibits it in the agricultural district, TVR's, you still wouldn't be able to do it even if this said you could.

Ms. Lono: This does not say that you can do TVR's in ag.

Mr. Alueta: Well, by virtue of the map where it says, "in the destination resort area," we're setting up a geographic region. That geographic region, in my example here, includes lands that are zoned ag by the State and, therefore, you could potentially do it but the State would restrict it, and so we're saying you're not -- it's still, even though we've shown the area of the destination resort area that would allow for TVR's, the State restricts it and we wouldn't allow for it either way.

Ms. Lono: Well do you have one of those maps that reflects that for Hana?

Mr. Alueta: There is no destination resort areas in Hana.

Ms. Lono: Okay. Okay. Okay.

Mr. Alueta: It's only the four destination resorts that we're going to map.

Ms. Lono: Got it. Sorry.

Mr. Alueta: And this is a map that shows two of those destination resort areas.

Ms. Lono: I understand.

Mr. Alueta: Yes. And then -- and, again, this thing shows a lot of residential land, okay. Currently, it's illegal. I mean you cannot get a permit unless -- currently, you can only get a TVR permit in the residential district through a conditional permit. This would -- so it's not an outrightly permitted use in the residential district. This ordinance would allow for it to be outrightly permitted in the residential district in the destination resort areas of Wailea, Makena, Kapalua, and Kaanapali.

So, again, opening the door one way; closing it in the other areas, try to -- and, again, the preamble states it trying to preserve our local housing for the local people and while directing people -- the tourists where we want them. I tried to go as -- so any questions on that or you guys have concerns?

Ms. Kanakaole: What are the consequences, right now, for these people who have TVR's that are on lands that aren't on these three zoned areas?

Mr. Alueta: Those -- the ones that do have a --

Ms. Kanakaole: They're existing already?

Mr. Alueta: That do have a permit, right, we will work that out because all of them have been granted either on a conditional permit, which has a time frame, we are currently working on either a grandfathering or a phasing out period for those, and that's to be determined. Those that have TVR's that do not have any type of entitlements, they are being advised to shut down or apply for a permit under the current scheduling, meaning they can still apply for a conditional permit, State Special Use Permit, and then we'll process it accordingly. But we will not process the permit -- you're not allowed to continue to operate while we process the permit.

Ms. Kanakaole: I see.

Mr. Alueta: So if you haven't got your application in today, like or as of some date that we've set which was back in February, if you don't have an application in and you wanted to make your TVR legal, if you came in for an application today, we would say, "Thank you for your application. We won't process this until your operation -- you show that you're not operating. We're not going to allow you to operate while we process this permit." So like everybody else, you have to do it before -- you have to get the permit, then operate, not the opposite way around so --

Ms. Kanakaole: I know there's a public comment that wants to happen, and I can open it up just so that you can say what you wanna say, but can you guys wait until he talks? Okay, so I'll open up the public testimony again.

Mr. Hopper: And, again, since it was closed before, you should open it to everybody cause I think there were some others that had wanted to comment at other times as well.

Ms. Kanakaole: That's fine. You just need to state your name.

Mr. Mark Collins: Yeah, thank you. I apologize for not speaking sooner. Yeah, I've got a question on the SBR. Haunani and I, you know, have the Hana Bay Hale up here and we approached the community association, the advisory panel, 13 years ago, you know, when this issue came up because the lot, when we got it, was vacant, it was prior to that commercial, there was Ching Store on there, and so we thought we were on, you know, good ground to come and that would be appropriate because we, basically, designed that place and built to be a TVR and we approached the, you know, the community association, the advisory panel and created that SBR zoning, you know, that we thought was going to go through, so it was approved, I think, for four or five lots. I think Joe's is one of them in that area. And, you know, so I always thought we were good. The place has been operating for, you know, all of that time openly and with the blessing of the community - at least I assumed that. And I thought I'd heard Joe say earlier that there was at least a

fiduciary, you know, responsibility of the Planning Department and the County Council to follow what the community plan, you know, said or, you know, what the people in the community wanted. So, you know, in the case in point of us and the people that did -- were supposed to have the SBR zoning, you know, what's going to happen to us because I know Paia and Makawao, you know, went through the same process at the same time with their community plans and their plans were implemented? I still don't understand why Hana's wasn't. I haven't, you know, got the -- I don't understand why it didn't go through exactly because it was the wish -- anyway so I've got concerns about what's going to, you know, happen in the case of us and others with the SBR zoning that was supposed to happen. Thank you.

Ms. Kanakaole: Are you going to -- are you going to address that?

Mr. Alueta: I'm just going to say, as I reiterated before, we are -- we recommended to the Council earlier this year that they redo the SBR, that they revive the SBR bill. That has not happened. The department will go ahead and do that once we get, in the near future, to try to revise it once we can get a clear direction that they're going to want the rest of these packages. I don't recommend this a lot, but I will say that you have a council member that's new, a lot of energy, you may want to recommend that he -- you go talk to him and talk about having him put a reso together to do a zoning of the SBR, do a resolution to change the zoning. That would streamline the process and move it forward and to, potentially, move the standards along also to include the TVR. Now, like I say, we recommend service business residential, the model could be for -- for your council member to look at is the existing one and then -- so council members carry a lot more weight than me or -- me or my boss and, you know, if they say this is what we want, they can push it along quicker than we can.

Ms. Cosma: I'd just like to comment. I met a transient vacation owner who said they were very discouraged with the permitting process because there's so much paperwork to do that it was easier to shut down. So was that put in place to discourage people from doing that or how -- they felt it was easier to go with a long-term lease than to go short-term because of all that permit process. So I just want you to explain on that part.

Mr. Alueta: One is we're glad that they opened up a long-term rental for a family. Again, TVR's are not an outrightly permitted use unless you are within the hotel district. So it's not a right; it's an entitlement that you seek. It is not -- past practice has been, I guess I'll admit, has been to set up an extremely onerous permit process to try to weed out as many people as possible. That's -- I don't consider that good planning, and my boss doesn't, and we feel that, again, if the policy is to say you can do these, set up a clear concise process to take care of them. If the policy is not to allow these, set up a clear law or policy that says we're not going to allow these, okay. And I think that's the simplest. Most -- every business person on this island just wants to know what the rules are; they don't want a

moving target or a moving goalpost. And it's not just for TVR's, it's for B&B's also. Bed and breakfasts, that's why we're trying to scrutinize these and streamline the process. And one of the biggest problems with a lot of these B&B's is some of them may not have the infrastructure to support them, meaning -- and you get these onerous requirements from the Water Department for an eight-inch waterline, and before that used to be the way we used to discourage TVR's. They used to be in the country out in the middle of ag and they -- and the Fire Department says, "Well you need 2,000 gallons per minute fire flow calcs." I can tell you, I don't think Hana Town has 2,000 gallons per minute, okay. I did -- they got an eight-inch line and they got a pumper truck that pumps more water than the water -- than the waterlines can provide. I did the permit. I know what they can do. So it's -- I know the problems but, like I said, we're -- this administration has taken a different stance on it. They said, "If you can do it, we're going to try to streamline the process. If we don't want it in these areas, we're going to say we don't want it in these areas." And I think we just want to create a very clear policy and back that policy up with amendments to our permit procedures.

As far as infrastructure requirements that go on, we're working, as you saw, with the Fire Department; B&B permits have had the same problems with Water Department coming up with tough requirements. Again, another reason why you wanna have an existing structure as when you come in for your permit. Fire Department takes the position: If we granted you a permit for that structure as a residential use, having -- renting out two or three or four rooms, with you living in it, doesn't make the fire demand any greater because if you're living in it, you're going to take all the precautions to make sure it doesn't burn down because you're living in it too. And so they don't consider -- and also they don't conceive the use as being a commercial entity as opposed to a TVR, they see it as a commercial entity. So they would -- the Fire Department applies the residential standards.

Water Department's force of law comes from when you have a building permit. If you already have a building permit, you already have house and you're not doing any new construction, they can't make you do anything. They -- and the issuance of a B&B permit is from the director and from the commission, I mean depending on the level currently. The director and the commission make the determination of who's comments are going to carry the weight. I have never seen -- it's very rare that the commission is going to say, "We're going to take the Water Department's comments over the firefighter's comments with regards to fire protection." They've always said, "The firefighter's the ones that's going to fight it, not the Board of Water Supply." So they are not the ones that are -- the commission is not the ones imposing that and I think that's been the policy and we're working through with everyone to make that so I hope that answered your question.

Ms. Kanakaole: Joe, can you reiterate what you said about Mark Collins, his statement, just say again what you feel he or community members should do who already have TVR's on SBR zoned land?

Mr. Alueta: They should contact their council member and ask them to do a resolution to, one, change their zoning from interim to SBR, right, and establish an SBR standards.

Ms. Kanakaole: Because Hana doesn't have any?

Mr. Alueta: One, there is no SBR code in the code to establish those standards.

Ms. Kanakaole: In Hana?

Mr. Alueta: Anywhere.

Ms. Kanakaole: Oh, in anywhere?

Mr. Alueta: Anywhere. There is no -- we only have B-1, B-2, B-3.

Ms. Kanakaole: Oh.

Mr. Alueta: Okay, so what happened is --

Ms. Kanakaole: We have it in our community plan?

Mr. Alueta: What happened is you put it in your community plan and so if somebody came in and says, "Oh, I wanna change the zoning to SBR." Well, great, you'd get zoned to SBR but we got no standards to regulate you. So there needs to be two things: One, you need to color the map, and you need to put wording behind the colors. And so it's like it's not just pictures, it's the words, the text that says here's your zoning, what can I do in it, and establish those. And the hang up, like I said last time when it got derailed, was the TVR and B&B, but I think this council and I think this administration really wants to focus where we want to have these accommodations and where we don't want them, and I think we—this community has already spoken that we want them there, okay. So I don't know why other council members had a problem but I would recommend that would be — it would push it along and whatever bill comes out, I'll be able to comment on it and make recommendations to that bill from them. I have no problem with, you know, with that kind of reso.

Ms. Kanakaole: Mark Collins wants to make one more comment.

Mr. Collins: Yeah, thanks. I have worked with Joe and, in the past, Mr. Foley, who is the past director, and, you know, on this question because it's tough. There is -- you know, we thought there was an SBR and our little lot was colored in but then, you know, there was never -- it was never created. What they recommended, in writing, Mr. Foley, was that we ask to change the zoning to the Makawao-Paia business zoning because it's the only one

that exist and it's close, which is I believe country town or, yeah, and that's -- so that's what they recommended to us as our only, you know, course of action to do anything about this because, you know, frankly in our case, we've worked hard for that property for our kids and our grand kids, and if we can't operate, we can't afford to keep it, and, you know, so that's the path that we've gone down on the recommendation of Mr. Foley and, you know, past planning to try to, you know, correct the situation, but I don't want you guys to get blind-sighted because -- you know, so we applied for the zoning change because we've been told that that's the only, you know, the direction we can go and then that would allow us to stay in operation. So I just wanted to let you guys know that that's what we've done on the recommendation of at least the past Planning Director and -- and, you know, so I'm doing what I've been asked to do to try to, you know, save our property.

Ms. Kanakaole: Right. Thank you. Okay, next? Yeah, we can have the next testimony.

Mr. Doug Chang: Thank you, Chairperson Kanakaole, members of the Hana Advisory Committee. I applaud you. It's a difficult subject, but this is about that seventh generation to come in front of us that is not here today and the decisions that we make, so I appreciate it. I'm Doug Chang. I have a question that may turn into a comment. As we look at the ordinances on the bed and breakfasts, is there a mechanism in place to look at the carrying capacity for the number of permits that would be issued particular to a specific geographic or community region as oppose to just the number of beds or bedrooms in a particular home? And if there isn't one, then maybe a recommendation to the Committee here to address what that would look like within Hana. Thank you.

Mr. Alueta: We're open to that suggestion. We've toyed -- again, you have your 500-foot radius. If more than one is within that area, they gotta go to a public hearing, under the current bill. In our staff report, we'll talk about capping, but it has not come up at all and we've toyed with the idea that should there be a cap and how many. Should there be only 200 or 300 permits issued countywide, or whatever. However, the problem could always be that that 200 may come in from Lahaina, or may come in from one area, and so you don't know where it's going to be, and so -- so we've never toyed with the cap idea, and it could be -- it could be something that happens after we see how -- if this bill gets passed and how many we approve within the first year. The council may say, "Well, hey, we've got -- you guys just approved 300 of these, I don't think we wanna allow -- I mean but we're open to suggestions or comments on that that we can forward on to the commissions.

Ms. Kanakaole: People wanna comment on that now or shall I close testimony?

Ms. Lono: Does anybody else wanna say anything?

Ms. Kanakaole: Does anybody else wanna say anything? Go ahead.

Mr. Bob Getzen: I just wanted to find out how this meeting was advertised.

Ms. Lono: Your name.

Mr. Getzen: Oh, my name is Bob Getzen. I just found out about it at 7:00 and somebody called me about it that they had just found out about it at -- at about 4:00. And if people would have known about it, you would have had the hall packed down here. It is a very important issue and considering how long things have been going on, I've -- when I came here 40 years ago, there were vacation rentals, my neighbors have had vacation rentals for 20-25 years, and the current process of closing everything down is extremely drastic. I realize there's been problems but the problems haven't been dealt with, you know, in the last 40 years and that's why we ended up in this situation that we are today.

The other comment I have is on the ag land on the requirement that you have \$35,000 in gross income. I've operated a farm for - I'm 62 years old - and I've operated a farm since I bought my property in '74 and I've never, in my entire life, made \$35,000. For the last six years, I've supplied almost all the flowers for the County Council and for many of the mayoral campaigns, so those have been donated. I don't charge anything. So there's a lot of people working on farms here. There's also people I know that supply all the food for their family and their extended family. They might not be commercial type of operation, but they are definitely involved in -- in agriculture.

Anyway, that's my only comment that I have right now. Thank you.

Ms. Kanakaole: Can we get the answer to how this meeting is being publicized?

Ms. Lono: Corporation Counsel, would you mind addressing that cause I asked you that question before the meeting? Would you mind addressing the notification process?

Mr. Hopper: I'm not sure how it was actually posted but I know it has to -- the only legal requirement is that it be filed with the County Clerk at least seven days prior -- or at least, yeah, six days prior to the meeting and that it be sent out. If people request the agendas for this type of meeting, then the agendas have to be mailed out to them. Other than that, there's no legal requirement. I'm not sure, actually, how else it was advertised.

Ms. Lono: I, personally, took responsibility to post on our County board in the town center on Friday. And then, today, I had the idea of sending out a mass email to the Hana Business Council as well as the Hana list that I have, so I sent out a mass email announcing that there was going to be a Hana Advisory Committee meeting tonight. So I did try to get it out there. I'm sorry that it was so late.

Mr. Alueta: And I'll just say that, again, it's not a requirement by the department to bring new bills and ordinances to the Hana Advisory Committee. You are an advisory committee to the Maui Planning Commission, so your authority comes from them, and if they have a public hearing item that's within the Hana region that they feel should be handled at the Hana region, they will -- they will send it down to you. The department -- our legal requirement for the public hearing is going to be with the Maui Planning Commission, which has been posted in the *Maui News* and other papers and they -- that is going to be on October 9 is the official hearing date on that.

Ms. Oliveira-Medeiros: ...(inaudible)... the library, right, you guys also post?

Mr. Alueta: Yeah, we do post it in the library, but, yes.

Mr. Hopper: Yeah, I just -- I wanted to reiterate that too, Joe, that it's the Maui, Molokai, and Lanai Planning Commissions all have to review and comment on this bill, and then final action would be by the County Council in fact, so you're acting in advisory capacity today, but there will be future -- several other future hearings on these particular bills in the future.

Ms. Kanakaole: If there's -- is there any other testimony? If there's no other testimony, then we'll close public hearing for the second time.

Ms. Lono: I would like to address Doug's suggestion, and I think it's a really great suggestion, to consider the carrying capacity, and it really would need to be done by district or region or however you wanna call it, but the carrying capacity for Hana and the carrying capacity for Lahaina or Paia or Makawao are all different, and I'm not sure how to go about making that recommendation or the wording for that, but I really think that it's something that we should consider in these ordinances that we address carrying capacity and, perhaps, a cap on B&B's and TVR's.

Ms. Kanakaole: I think that we can recommend that to the Planning Commission that they look at that by district or by area.

Mr. Alueta: Yeah, by community plan. You can say that you want -- that the commissions should consider some type of cap on the amount of B&B permits issued by -- and it should be by -- the cap should be by region.

Ms. Kanakaole: By region.

Ms. Lono: You guys all agree with that?

Ms. Kanakaole: Yes.

Mr. Alueta: Thank you. As far as I'm concerned, that's all I have tonight. Is there anything else? I don't have the agenda in front of us.

Mr. Hopper: You would still have to take a motion and vote on the comments that you want to give to the Maui Planning Commission.

Mr. Alueta: Oh, okay.

Mr. Hopper: So it looked like Joe was keeping track of everything so I don't know who wants to make that motion or how that's going to go.

Mr. Alueta: Okay, I thought it was done by consensus after each one, so the ones that I received, that I got a nod from all of you were: one, the cap on the B&B by region; change the take the sign down five days after; and then, for Hana only, if there's more than the three-room B&B, it goes to a public hearing, for Hana only.

Ms. Cosma: I have a concern. Is it too late to say that we look at that \$35,000 on ag farms to see if we can do some kind of modification to our district, Hana community, cause it's a -- you know, if you -- where did you get those numbers from? The 35,000?

Mr. Alueta: The 35,000 came from the existing ag ordinance, which has set that threshold for a third farm dwelling on lots that are greater than five acres. Again, a bed and breakfast -- a bed and breakfast is not a right, it's an entitlement, and that, within the agricultural district, the principle use is farming, is ag, is in ag operation, and that all structures related to that is supposed to be in support of that agricultural endeavor. The department felt that there should be some type of -- if we -- if State law allows, we would expand the B&B operations to the agricultural district; however, we wanna make sure that, you know, this is a farm in -- it's a farm and it's open only to bonafide farmers, thus encouraging farm activities. There are farmers that are making it and more than \$35,000 on only two acres, so it's not impossible, but if that's your comments, if you feel that that number should be reviewed for Hana only, then get a consensus and we'll -- I'll put it in.

Ms. Cosma: I just think this body should take a look at it, I mean consider it, and as -- well, I don't think 35,000, after I hear Mr. Getzen's comment and, it's true, I don't see -- it all varies between farmers and what they do and stuff, and depends what areas they live, you know, cause some farmers they do it because they love the aina; they don't only look at it as income, you know, they supply a lot of places throughout Maui County. You know what I mean? It's not mainly the \$35,000 to qualify for these things but to look at it more carefully --

Mr. Alueta: Okay.

Ms. Cosma: Especially when it comes to Hana.

Mr. Alueta: Okay, if that's -- I mean is there consensus on that? But I mean, again, this is a B&B operation that's -- it's --

Ms. Cosma: You think we can do an amendment to adjust that amount to a smaller amount? I'm not sure. That's why I wanna get consensus here.

Ms. Kanakaole: We could recommend and I think that's about it, yeah? We could recommend that they look at changing it? But I wanna -- I mean the only two farmers, and I don't know anything about farming, I mean the only two farmers I heard from tonight was Bob Getzen and Dawn, you know, and one of them makes that much and the other one doesn't. I mean how -- what is it like in Hana for the farmers? Is it, you know, do they make that much? Do most farmers pull in that much money? Do you guys know?

Ms. Lono: I have no way to speak for all the farmers in Hana. I know how much work we do and what our operation is about and the kind of income that we generate, personally, but I -- I can't speak for the other farmers. I know that there are a lot of other farmers that make well over \$35,000 in a year. They are full-time farming operations. They make their living. And so I know that they exist. But, in the context of what we're trying to do here with B&B's, I think we need to be really careful. I think one of the reasons why this is in here and, Director, you can correct me if I'm wrong, but is to try to really promote agriculture, real agriculture. That's what ag land is supposed to be for is agriculture. And the agricultural lands were established, you now, to keep that land in a certain use and for certain purposes. So I think we're -- we're treading a thin line if we make it so reasonable, you gotta do \$5,000 worth of business and that's all it takes to qualify. I think that's a little bit -- on the other side, 35,000 may be -- may be high but it's just what do we want? What do we want in Hana? If they were going to consider the capacity and put in a cap on B&B's and TVR's in ag, then that's one way that we might be able to deal with that but, you know, if you just gotta throw a few fruit trees in and sell a couple oranges to Hotel Hana Maui, and you're a farmer, and that qualifies you, I think that's a little lenient, so I'm kind of in the middle on it.

Ms. Kanakaole: Does anybody else --

Ms. Lono: Lehua, I just wanted to know what your -- what your recommendation would be of a number? You know, are you thinking 20,000? Are you thinking 10,000? Are you thinking 30,000? What is --

Ms. Cosma: To be honest, I was just thinking something lower. Anything lower than 35,000, but I cannot decide on that myself.

Ms. Lono: 34,999

Ms. Oliveira-Medeiros: Is this the last time that the public will get to comment on this, or is there another meeting?

Mr. Alueta: October 9, the Maui Planning Commission; October 10, the Molokai Planning Commission.

Ms. Oliveira-Medeiros: In Wailuku?

Mr. Alueta: In Wailuku. And then whenever it's scheduled for the council. I think that, you know again, this issue, per se, has been going on for at least four years, and I think there's been numerous public hearings on the item, and I think that if you don't have an opinion by now, it's kinda -- it's kinda late, and I think that the last big public hearing we had on it was on, like I say, Bob Carroll's bill, and we got a direction from council that they -- they were not prepared to allow TVR's, and they weren't prepared to do that at this time, so I think the -- this is our attempt at it and we'll see whether it floats and -- but I think the issue as far as status quo is no longer there. I think we've -- four years has been enough of not enforcing and I think that the community, the general public, and the County Council has sent a clear message that that's not what we want. We want you to do something. And then if you're going to do something, then come up with your bill. So I think that's where we're standing right now.

Ms. Lono: And I would just like to say that I have compassion for many of the local people that I know who are operating bed and breakfast and who are operating TVR's, and each situation is really individual, you know, it's hard to put everything into a box and look at it all in the same way. You know, you have people who live here and operate. You have people who live on Mainland, buy a house, and just set it up as a TVR. You know, there's a lot of variables there and each one kind of has its own set of criteria that, you know, you look at when you think: Well, should that happen, or should that not? Should it be for people who just live here? And that's kind of what we have in here right now. You have to live there or you have to have somebody, except TVR's do not require that, so that's where we get in a little bit dangerous ground. So for some people, I know the B&B ordinance will address their issues because they do live in their house and they do have vacation rental or a B&B. So I just really wanna say I really have a lot of compassion and this is a really difficult issue.

And, also, when I see the administration being slammed for lack of enforcement, I have to say that, you know, it comes both ways, and people who have made the choice to start these businesses knowing that they are illegal, are contributing to the problem and shouldn't be just, "Well I've been doing it for ten years so, you know, it should be okay and I should get a pass and everything should be changed because I've been doing it." So,

yeah, "My realtor told me I can do it." That's a whole other one. And, you know, I have something to say to those people. They need to go back to their realtors and address that with them cause they have liability in that situation. So, you know, everybody needs to take responsibility for their actions and I think it's really important that we keep that in mind also as we address all of this. Mahalo you guys and. Joe, thank you.

Mr. Alueta: Thank you. So my consensus was --

Mr. Hunt: Just a couple other items that have come up recently since this bill came out was, one, was a suggestion to have a one-foot by one-foot sign required on site, permanently affixed, for a B&B. The idea being that the perspective tourists wouldn't get lost and drive around and bother the neighbors asking directions. They would find the B&B easier. Do you guys have any thoughts on that one?

Mr. Alueta: And they would put the permit number on it.

Ms. Cosma: I have a thought on that because many times I've had guest come to my house thinking I'm a vacation rental and I have to go show them where the right house is and, you know, it's complicated and it will be helpful for visitors to find where they're staying, especially when they come to Hana in the dark, not enough light, so they go to the nearest house with lights on, which is my house. So it would be helpful, yes, if we had some kind of sign.

Mr. Hunt: Any objections to that one? Do we have consensus?

Ms. Lono: Well, I have a real sensitivity to signage so I guess the only comment that I would make on that is that, perhaps, they could be required to properly mark their address, you know, so it can be -- so it's lighted and visible, or something like that, but to require -- what did you say? One by one?

Mr. Hunt: One by one.

Ms. Lono: That's not real huge. But just so you put the one-by-one sign over there then it's gotta be in a visible place. It needs to be at the top of the driveway, on the fence post, or whatever but --

Mr. Alueta: That's what we're looking at.

Ms. Lono: It's usually just a -- and a properly -- proper address and, in Hana, we have big problems with addresses, most people don't even know their addresses, so, you know, I think that's really important to have some kind of signage requirement but as little as possible.

Mr. Hunt: Another one that was suggested recently was that the B&B ordinance limits the number of people per room and there was some thought that we shouldn't include minors with that limitation so that you could have two adults plus your children in that same room.

Mr. Alueta: So they're saying -- the thing was include children, so we're saying, if you get two, it's gotta be including the children, not excluding, you gotta count.

Ms. Lono: Boy that opens up a whole can of worms. Me and my ten kids are coming to stay in a one-bedroom B&B. You know, I don't know. That's a fine line. I don't think I could support just a blanket however many kids, maybe two adults and one child and then you have declare after that or something, but, you know, not just two adults and all the kids that you can fit in the room.

Mr. Alueta: Jeff, I thought it was just saying two, period, no discrimination?

Mr. Hunt: No, she was -- she was suggesting that, especially with younger kids, they don't want their kids to having to be in a separate room, and if there's a way to have the adults in the same room with their kids, they can keep an eye on them, they feel safer, etcetera. I understand the idea that you say no kids at all, it opens up a loophole that people may try and take advantage of, so it doesn't sound like we have consensus on that one.

And then the last one I wanted to address, and this one's really kind of a controversial one, so controversial that staff couldn't come to terms with it ourselves, and that's the idea of — Joe's been talking about a pure B&B where you have a manager or owner or lessee on site in the house, and a pure TVR is noone's on site, what about a B&B where the owner's in the house and they wanna rent out the ohana? And the problem we have with that is that it takes the ohana out of the rental pool. The whole legislation with ohana's was ohana is for family, but some TVR operators have suggested that they -- they would request that the County consider that. Again, the department can't support it cause we don't have consensus on it but we're trying to be fair and throw it out to you folks and hear your comments on it.

Ms. Lono: So would the ohana be considered a B&B or would it be a TVR?

Mr. Hunt: It wouldn't be a pure B&B so we would -- you know --

Ms. Lono: So it would be a TVR? Do we have a distinction between pure B&B's and unpure B&B's?

Mr. Hunt: I think we would call it a hybrid and it would probably require a step up, like a special use permit or something. It wouldn't be -- it wouldn't be subject to the streamlining

that we're talking about now. Again, we're not advocating for it. We're trying to be fair and just throw these ideas out there.

Ms. Cosma: Sorry, you're saying that, on a TVR, it can happen if the manager is on property? Is that what you're saying?

Mr. Hunt: The idea is you -- it would only be with a B&B, so you have onsite owner or lessee living in the house and they rent out rooms in their house, but can they also, in addition to renting out rooms in the house that they live, rent out the ohana? That's what the request that we're getting.

Mr. Alueta: So it's no longer -- it's no longer really a -- it's not -- like he said, it's a hybrid, it's not really a --

Mr. Hunt: It's not a pure B&B, it's not pure TVR.

Ms. Lono: It's not a B&B period.

Ms. Oliveira-Medeiros: I kind of would think about that one; consider it.

Mr. Hunt: Any others? We've kind of got one that sounds, and I don't mean to put words in anyone's mouth, but there's one that sounds like they're not very supportive of it, and one that would consider it, and then the rest of you?

Ms. Mauliloa: When you say -- when you say rent out the ohana, you mean the rest of the house? What do you mean?

Ms. Lono: Ohana unit. The ohana dwelling. The separate dwelling.

Mr. Hunt: The separate little ohana unit.

Ms. Mauliloa: Yeah, I would consider it. It's another room on the property if it's a bed and breakfast. As long as it stays within the limits that we set.

Mr. Hunt: One of the concerns we're having is that the ohana legislation was intended for families and it would take a family rental or a long-term rental off the market. Some people have suggested, well, how about if you require a fee, an annual fee or something to help compensate the loss of the rental to the local market. Again, we don't have -- we don't have solutions; we're just --

Ms. Cosma: I also see it as a potential to the local families who wanna come to Hana who cannot afford staying at the hotel or all these resorts because of money or they just cannot

afford, and, for Hana, we have the regatta, we have the Hana Relay, we have baseball tournaments, a lot of these local families rely on these houses in Hana to fill their needs cause they cannot stay at the hotel. They can't even camp anymore in Hana. So where do these people go? And that's one of the potential that I do see that has helped our local families, and it can be vice versa, either way, so that's what I needed to say.

Ms. Lono: Just on the down side of that, and I totally understand where you're coming from and see the need in Hana for having these kind of accommodations, what I've experienced being in the business of property management and rental management is having these, as you say, ohana's be taken out of the long-term rental market and be put in the vacation rental market, and we have people in Hana who have no homes. We have people who are living in tents, you know, many of my own family members, you know, have been in or are in that situation, so I have compassion for that, and I know it's a fine line because I know there are local residents who would like to buy property and build an ohana and be able to sustain themselves by having an ohana that they can rent out and then keeping it, perhaps, for their children when they grow older and so on and so forth. But I -- the intent, I believe, as you said was ohana is for ohana and that was the whole intent behind allowing ohana dwellings. So it's a sticky one and I think it would have to be regulated much more stringently than what we're talking about here, like you said, having some kind of special designation and having some kind of special regulation for that. And what we're trying to do is streamline here, but now we're getting a B&B that's not quite a B&B, now we got a hybrid B&B, and -- but there's a lot of that going on and a lot of the people who are not going to fit into these, are going to be those people.

Mr. Hunt: Exactly.

Ms. Lono: They're going to be the people that are renting their ohana units that don't fit into this.

Mr. Hunt: Yeah, and the request will come up again before the other Planning Commissions and council so we just wanted some input.

Ms. Lono: Yes. Yes.

Mr. Hunt: Let me try and sum it up. There's not consensus for it but there seem to be -- I guess we'll just say there wasn't consensus for it so that could be interpreted as a split decision or something like that.

Mr. Alueta: So there was consensus on the sign?

Ms. Kanakaole: Yes.

Mr. Alueta: Okay, so that was the only one.

Mr. Hunt: And the minor ones we're not going go down either.

Ms. Lono: I'll go along with the one-by-one ...(inaudible)...

Mr. Hunt: Nothing bigger.

Ms. Lono: Try to make it as small as possible.

Mr. Alueta: Okay.

Mr. Hunt: Okay, and then the minor children we're not going to go there because of concerns there? Okay. The only other comment I wanted to have and that was in regards to the issue of the ag lots and how we're creating those and farm plans and we're not enforcing those. The Planning Department shares those concerns and we are in the process of analyzing the situation to try and come up with some solutions. It's another complex controversial, perhaps, volatile issue, and we don't want to go into it unprepared, and so it's going to take some time but, again, we share those concerns and we're going to try and find some solutions.

Ms. Lono: Jeff, I brought this lei for you and I didn't give it you. We didn't have an opportunity to do that but I would like to do that.

Mr. Alueta: Corp. Counsel say you need to do a motion so the --

Ms. Kanakaole: To accept.

Mr. Alueta: To accept by consensus all of the comments that you had, which were, again --

Ms. Lono: I so move. We went over them all already. Is everybody clear on what they are?

Ms. Kanakaole: Yes.

Mr. Hopper: You just have to be clear. As long as you're okay, then that's fine, but you have to make a motion.

Ms. Lono: We're okay. Okay, so I so move.

Ms. Cosma: I make a motion that we adjourn.

Ms. Lono: No, no, not yet. You gotta second. Somebody gotta second.

Ms. Cosma: I'm sorry, I second that motion.

There being no further discussion, the motion was put to a vote.

It has been moved by Ms. Lono, seconded by Ms. Cosma, then unanimously

VOTED:

to recommend to the Maui Planning Commission to accept the bills for ordinances addressing the issues of bed and breakfast operations and transient vacation rentals, as presented by the Planning Department, with the Committee's following comments and amendments:

One, to consider a cap on the B&B's by region; two, take the B&B project notice sign down five days after final approval; three, for Hana only, if B&B is more than three bedrooms, it goes to a public hearing.

Ms. Kanakaole: Okay.

Mr. Alueta: Thank you.

Ms. Kanakaole: Thank you. I need to read the vote? It was unanimous, yeah. Okay, can we -- can we move some of the agenda items?

G. ORIENTATION WORKSHOP

- 1. Role and Responsibilities
- 2. Meeting Schedule
- 3. Office of the Corporation Counsel Handbook for Members of Boards and Commissions
- 4. The Sunshine Law
- 5. Ethics
- 6. Takings
- 7. Hana Community Design Guidelines

H. DIRECTOR'S REPORT

1. October 18, 4 pm public hearing on the following application:

ROGER K, WILLIAMS, Trustee and RUTH W. WILLIAMS, Trustee et al. requesting a Change in Zoning from the Interim District to the Rural -1.0 District in order to build a 5th dwelling at the front portion of the lot at 6756 Hana Highway at TMK: 1-4-010: 022, Kipahulu, Island of Maui. (CIZ 2007/0007) (P. Fasi)

Ms. Lono: Can we defer the Orientation Workshop until --

Ms. Kanakaole: G and H?

Ms. Lono: Yeah, at the next -- H is the next meeting, right?

Mr. Hopper: Yeah, you could defer those, those two. I think we actually have to leave soon. Jeff has the flight, our charter, I'm not sure of the status.

Ms. Kanakaole: Okay.

Mr. Hopper: But, yeah, you could if you wanted to.

Ms. Kanakaole: Okay, so we move to defer Agenda Items G and H.

Ms. Lono: Now H -- H is that -- H is saying we have a public hearing coming up on October 18 at 4 p.m., correct? So we're all duly noticed?

Mr. Hunt: That's correct.

Ms. Lono: And you'll be sending us a packet on this prior to that meeting?

Mr. Hunt: That's correct.

Ms. Lono: Okay.

Ms. Oliveira-Medeiros: ...(inaudible)...

Mr. Hunt: I don't know.

Ms. Lono: It's in Makaalae.

I. ADJOURNMENT

Ms. Kanakaole: Okay, so do we have a motion to adjourn?

Ms. Cosma: I make a motion we adjourn.

Ms. Kanakaole: Mavis seconds. We're adjourned.

There being no further business brought before the Committee, the meeting was adjourned at 8:15 p.m.

Respectfully submitted by,

SUZETTE L. ESMERALDA Secretary to Boards and Commissions

RECORD OF ATTENDANCE

Present

Kau`i Kanakaole, Chair Mavis Oliveira-Medeiros, Vice-Chair Dawn Lono Melissa Mauliola Lehua Cosma

Excused

Shane Sinenci David Kaina

Others

Jeffrey Hunt, Planning Director Joseph Alueta, Administrative Planning Officer Michael Hopper, Deputy Corporation Counsel